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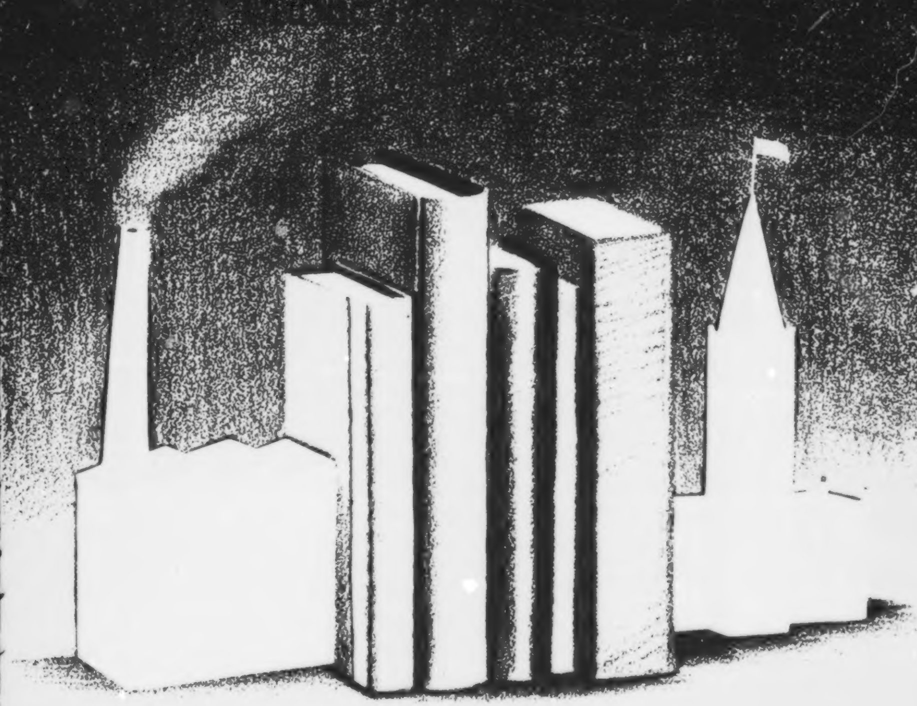

by

David M. Cameron

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More Than an Academic Question:

Universities, Government, and Public Policy in Canada

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to John

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Foreword

Higher education poses perplexing questions for public policy in Canada. Central to this perplexity is the relationship between universities and government. Universities are instruments of public policy, dependent upon government for the bulk of their revenue. But, at the same time, universities have developed as autonomous institutions and no government seems seriously to want it otherwise.

Federalism complicates this relationship. Education is constitutionally the responsibility of provincial governments, but the imperative of postwar expansion, coupled with federal jurisdiction in closely related areas, drew the federal government into direct support of universities. The consequences of that intervention are still being played out in what has become a virtual quagmire of intergovernmental fiscal arrangements. Moreover, much of Canada's research effort is carried out in universities, and here the federal government commands a wider, if not a constitutionally sanctioned, area of the playing field.

Universities, meanwhile, are far from simple organizations. Their internal governance and management practices provide the means by which signals emanating from government are transformed into public policy outcomes. The rise of democratic management and then of collective bargaining, often including outright unionization, rigidified decision-making and reduced the capacity of universities to exercise their traditional autonomy while still paying attention to the exigencies of public policy.

All of this was happening just as the perceived contribution of higher education and research to economic growth and competitiveness was gaining renewed currency. The upshot adds both urgency and poignancy to the title of David M. Cameron's book. The question of universities, government and public policy is, indeed, more than an academic one.

The Institute has recognized the importance of fostering research and public discussion on such a critical question. This has included preparatory work for, and organization of, the National Forum on Post-Secondary Education, held in Saskatoon in 1987, in which Dr. Cameron participated as Scholar-in-Residence with the Institute.

Dr. Cameron paints on a very large canvas. His story of universities and public policy spans the entire history of higher education in Canada, from the founding of the Collège de Québec in 1632 to the nexus of policy problems facing governments and universities in the 1990s. His focus is on the period since the Second World War, the era in which the modern Canadian university took shape as a publicly funded institution. In this, he examines the shape of public policy in all 10 provinces, analyzes the changing role of the federal government, and accounts for the profound transformation that took place in the governance and management of universities themselves. Throughout, his analysis encompasses both education and research.

The author is well placed to carry out this project. His involvement with government, his previous scholarly work, and his exposure to senior university administration combine to yield not only an appreciation of the complex nature of public policy formulation and university management, but also an ability to explain it clearly and concisely.

The Institute is pleased to have been associated with the work leading up to the completion of this book. That work was fostered by my presidential predecessor, Rod Dobell. I concur with his appreciation of the book's importance and am happy to be associated with the publication itself.

This book should be required reading for anyone interested in universities, higher education, and research policy in Canada. It will be indispensable for university presidents, board chairpersons, and senior government officials alike; indeed, for all those who may seek or be called upon to influence the course of universities and higher education in Canada, and for those many others who may be interested in or affected by the results.

Monique Jérôme-Forget
President
September 1991

Avant-propos

Au Canada, l'enseignement supérieur pose des questions de politique générale difficiles à résoudre; la plus importante d'entre elles a trait aux relations entre les universités et le gouvernement. Les universités sont des instruments de politique générale qui dépendent du gouvernement pour la plus grosse partie de leurs revenus. Par ailleurs, elles sont également devenues des établissements autonomes, et aucun gouvernement ne semble souhaiter qu'il en soit autrement.

Le fédéralisme ne fait que rendre ces relations plus complexes. Selon la constitution, l'éducation relève des gouvernements provinciaux, mais les impératifs de l'expansion d'après-guerre, auxquels sont venus s'ajouter l'intervention du fédéral dans des domaines connexes, ont conduit le gouvernement fédéral à accorder un soutien direct aux universités. Les conséquences de cette intervention se font encore sentir dans ce qui est devenu un véritable casse-tête, étant donné la complexité extrême des arrangements fiscaux intergouvernementaux. De plus, c'est dans les universités que la majorité des activités de recherche se déroulent au Canada, et dans ce domaine, le gouvernement fédéral contrôle une partie encore plus vaste du terrain de jeu, même si cela n'est pas sanctionné par la constitution.

Par ailleurs, les universités sont loin d'être des organisations toute simples. Leur mode de gouvernement et le type de gestion qu'elles pratiquent font que toute action du gouvernement à leur égard se transforme en question de politique générale. La généralisation d'un mode de gestion démocratique, le recours à la négociation collective, pouvant même aller jusqu'à la syndicalisation, ont rigidifié le processus décisionnel et réduit l'aptitude des universités à exercer leur autonomie traditionnelle tout en continuant à tenir compte des exigences de politique générale.

Tout cela s'est produit au moment même où le rôle joué par l'enseignement supérieur et la recherche dans l'expansion économique et la concurrence commençait à être de nouveau reconnu. Une telle conjoncture ajoute un caractère d'urgence et de nécessité au titre du livre de David M. Cameron. Le problème des relations entre universités et gouvernement dans une perspective de politique générale est effectivement plus qu'une question d'ordre académique.

L'Institut se rend compte à quel point il est important de soutenir la recherche et d'entretenir le débat public sur une question aussi cruciale. À cet effet, il a préparé et organisé le Colloque national sur l'enseignement postsecondaire, qui s'est tenu à Saskatoon en 1987, auquel le D^r^ Cameron a participé en tant que chercheur invité de l'Institut.

Dans le présent ouvrage, le D^r^ Cameron brosse un très vaste tableau. Il fait remonter son histoire des universités par rapport à la politique générale aux tout débuts de l'enseignement supérieur au Canada, c'est-à-dire à la création du Collège de Québec en 1632, et il la mène jusqu'à l'imbroglio de problèmes politiques des années 1990, auquel les gouvernements et les universités se trouvent confrontés. Il s'intéresse particulièrement à la période qui a suivi la Deuxième Guerre mondiale, lorsque l'université canadienne moderne a pris sa forme actuelle, celle d'un établissement subventionné par des fonds publics. Pour cette période, il examine l'état de la politique générale dans toutes les dix provinces, il analyse l'évolution du rôle du gouvernement fédéral et il explique la transformation profonde qui a eu lieu dans la manière de gouverner et de gérer des universités elles-mêmes. D'un bout à l'autre de son analyse, il tient compte à la fois de l'enseignement et de la recherche.

L'auteur est particulièrement qualifié pour mener à bien un tel projet. Son travail au sein du gouvernement, ses travaux érudits antérieurs et ses activités à des postes supérieurs d'administration universitaire font qu'il est non seulement pleinement en mesure de comprendre la nature si complexe de la formulation des politiques générales et de la gestion universitaire, mais qu'il est tout aussi bien capable de l'expliquer clairement et avec concision.

L'Institut est heureux d'avoir été associé au travail qui a mené à la réalisation de ce livre. Ce travail a été encouragé par mon prédécesseur à la présidence, Rod Dobell. Je partage son opinion sur l'importance de la question en cause, et je suis heureuse de pouvoir être en mesure de participer à la publication de l'ouvrage.

Ce livre devrait absolument être lu par toute personne qui s'intéresse aux questions touchant à l'université, à l'enseignement supérieur et à la politique en matière de recherche au Canada. Il deviendra indispensable aux recteurs d'université, aux présidents de conseil et aux hauts fonctionnaires gouvernementaux, de même qu'à tous ceux qui désireront exercer une influence sur l'avenir des universités et de l'enseignement supérieur au Canada ou qui seront amenés à le faire. Tous les autres qui s'intéressent à cet avenir ou qui risquent d'en être affectés y trouveront également matière à réflexion.

Monique Jérôme-Forget
Présidente
Septembre 1991

Preface

This book tells the story of Canada's universities and the public policies that have shaped and supported them. The story is about universities and governments, and the delicate balance that marks their interdependence. In this, it is necessarily about Canadian federalism, about the formulation of policy in and among 10 provincial governments as well as across the division of provincial and federal jurisdiction. It deals with patterns both of divergence and of convergence, of cooperation and of conflict that attend public policy in a federal and intergovernmental context. Finally, it is about the government and management of universities themselves.

The story concentrates on the period from the mid-1950s to the beginning of the 1990s. It begins in Chapter 1, however, with a summary account of the development of Canadian universities from their beginnings to the eve of their explosive growth in the 1950s, and what was then considered an imminent crisis. This introductory chapter describes the early contest between public support and church control, its legacy of denominational colleges and, in Quebec, of classical colleges operating under the academic umbrella of Catholic universities. It takes account of the emergence of the federated university in the latter part of the nineteenth century, first in Manitoba and then Toronto. It acknowledges the challenge that science posed to religion as the motive force behind higher education and the birth of the modern public university as the product of that successful challenge. It considers a number of developments in the first half of the twentieth century, including the idea of bicameral university government, the establishment of provincial universities in the West, the beginning of federal support of university research, and controversy over the limits of academic freedom. Finally, it describes the close relationship built up between universities and the federal government during the Second World War and the outgrowth of that relationship in the form of direct federal grants, first for veterans and subsequently for general operations. Chapter 1 ends where it began, with the crisis of numbers facing Canadian universities in the mid-1950s.

From there, the story unfolds in two parts, the first exploring the formation and content of public policy and the second examining changes in the government and management of universities. Each develops chronologically, organized around the issues and themes characteristic of the principal phases of growth and change.

Part 1 contains five chapters. Chapter 2 describes the incremental and pragmatic beginnings of a period of extraordinary growth and expansion, a beginning marked by the initiative of university leaders and the financial support of the federal government. As the process unfolded, established universities launched major building programs, junior and affiliated colleges not only sought the autonomy associated with increased size but also began shedding the denominational status that frequently stood between them and provincial support, while local groups campaigned for the prize of a university in their community. Meanwhile, a crack had appeared in the structure of federal direct grants, seen first in Quebec's decision to bar its universities from accepting them, and subsequently in Ottawa's agreement to make equivalent fiscal transfers to the Quebec government instead.

By the early 1960s provincial governments were drawn ineluctably into the formulation of more coherent policies for the management of growth. Chapter 3 examines this process of policy formulation within the context of the three approaches favoured by different provinces: single provincial universities, advisory committees, and formal commissions of inquiry. For its part, the federal government continued to pursue an activist role, launching a series of program initiatives and encouraged to do even more by studies projecting not only the costs of continued expansion but also their anticipated economic returns. A major turning point in federal-provincial relations was reached in 1967 with the decision to scrap direct grants to universities in favour of a shared-cost program with the provinces.

That change both reflected and encouraged the emergence of provincial systems of postsecondary education. Chapter 4 explores this theme by focusing on four components of provincial policy: completion of the institutional infrastructure, establishment of intermediary agencies, adoption of formula financing, and development of bureaucratic competence. But clouds were already forming on the horizon as projections of growth gave way to fears of decline and, worse still, doubts were cast on the veracity of earlier estimates of the economic returns from public investment in higher education, and even on the capacity of the economy to absorb existing numbers of university graduates. Federal research policy, meanwhile, came under intense scrutiny.

As Chapter 5 reveals, all of this put enormous strain on the delicate balance of university-government relations, as provinces moved to control, and in some cases to stop, further expansion and turned to a variety of sources for advice to guide public policy through the 1970s. The proposals were many and sometimes even radical; the changes in policy were few and mostly incremental. The intergovernmental scene, meanwhile, was active, as the federal government moved to cap its transfers to the provinces and, in due course, to abandon the shared-cost approach in favour of a one-time shift in taxing capacity and annual, but unconditional, cash grants. At the same time, the federal government both reorganized and consolidated its own pre-eminent role in support of university research.

The 1980s were marked by a continuing search for new directions in public policy, a search that is taken up in Chapter 6. Provincial policy was characterized by the mostly frustrated pursuit of coordination and rationalization of institutions and programs, doubts about the effectiveness of intermediary agencies, growing interest in and use of targeted funding, and efforts to forge partnerships with industry in harnessing university research more closely to perceived levers of economic development. The federal government was also frustrated in its efforts to influence provincial policy, and moved instead to hold the line on increases in the value of its unconditional grants, while picking up from the provinces a growing interest in university-industry cooperation in research.

It is against that changing backdrop of public policy that Part 2 explores developments in the government and management of universities. The event that most clearly signalled a change in faculty attitudes was the controversy unleashed by the Crowe affair in 1957. The remainder of Chapter 7 explores the first phase of reform, extending through the 1960s and directed at enhancing democratic management and participatory government including, in a few universities, experiments with unicameralism.

This was quickly overtaken by a second wave of reform, extending through the 1970s and involving collective bargaining and faculty unionization. Chapter 8 traces the unfolding drama of this reform from its beginnings in Quebec, through the national debate that set the stage for the transformation of the Canadian Association of University Teachers and its Quebec associate, the Fédération des associations de professeurs d'université du Québec, into aggressive and effective advocates of unionization, even embracing faculty strikes.

Chapter 9 brings the story back to the present, defining and describing the reality of constraint that characterized the 1980s, constraint resulting primarily from stable provincial funding levels on the one hand and increased enrolment on the other, but exacerbated by the imposition of additional expenditure obligations and the reduced flexibility attendant upon the elimination of mandatory retirement in several provinces. Coupled with the rigidities inherent in faculty collective bargaining, this left universities with few options other than general budget compression. Despite some fascinating developments in British Columbia, Canadian universities studiously avoided more radical strategies for institutional restructuring. Part 2 ends as did Part 1, with growing interest in closer university-business cooperation, this time as a potential means of increasing university income.

The book concludes in Chapter 10 by drawing together the major themes developed in previous chapters. It includes some reflections on Canadian federalism and public policy, as well as some lessons for university government and management.

Throughout, I have tried as far as possible to let the actors in this drama speak for themselves, making extensive use of their writings and recorded speeches. For contemporary events, these have been supported and supplemented by personal interviews, mostly conducted on a confidential basis. I have deliberately minimized interruptions in the narrative to offer explicit analysis, choosing rather to weave my interpretations and conclusions into the story itself including, of course, the choice of which events, themes, and supporting evidence to emphasize.

I have had a great deal of help in this project, and while it is not practical to acknowledge all of it, a few individuals and institutions warrant particular mention. The Social Sciences and Humanities Research Council of Canada provided generous financial support through a research grant, while the Institute for Research on Public Policy not only extended me the honour of an appointment as Scholar in Residence but afforded invaluable opportunities for discussion and debate. Two other institutions, both universities, played critical roles in bringing this project to fruition. Dalhousie University has been my professional home for two decades and has given me opportunities for scholarly and personal growth far beyond the bounds of reasonable expectation. For that, and more specifically for the privilege of a year's sabbatical leave in the initial stage of my research, I record my debt and offer my thanks. During that leave, I was the guest of the University of Toronto and the beneficiary of a most congenial scholarly environment. Much of my work that year involved library research, and in this regard my gratitude for the privilege of using the rich resources of the John P. Robarts Library is exceeded only by the fondness of my memories of many happy days discovering just what a wonderful gem that library is.

To the many senior officials, both in universities and in government, who gave so freely of their time in interviews, and who were so helpful in providing documents and reports, my thanks must unfortunately be general, but not less genuine for that. In contrast, I am delighted to say a very personal *merci* to my research assistant, Luc Rainville, whose help in introducing me to the documentary record of postsecondary education policy in Quebec was quite literally invaluable.

Three colleagues were kind enough to read and comment on the entire draft manuscript: Stefan Dupré of the University of Toronto, Ronald Watts of Queen's, and Cynthia Hardy of McGill. I must confess to abusing friendships in asking them to do this, and I am pleased to record my very sincere thanks for the generosity of their responses. Their critical comments and suggestions were of enormous help, saving me from more than one gaffe and improving the text in many places. John Dennison of the University of British Columbia also read some early chapters of the manuscript and, as well, proved to be the source of more than one otherwise unavailable document. Jeffrey

Holmes of the Institute for Research on Public Policy not only read and commented on the whole manuscript, but also offered constant advice and encouragement throughout the process of publication. A very special thank you is extended to Ruby Day, who handled, with meticulous care, the transformation of my manuscript into this book.

This project has also been a family affair. In that, it has a very personal legacy, and I reserve my most special thanks for the two most important people in my life. In 1969 Margaret and I joked about whether I could finish my doctoral thesis before she gave birth to our child. The thesis was finished first, but only just, and when subsequently published, it was appropriately dedicated to Margaret, with love and appreciation. The birth of our son was the more significant event, beginning a life that has given his parents so much joy and promises even more for those whose great good fortune it may be to know and love him. Now, 21 years later, the three of us occasionally joke about whether I can finish this book before he graduates from university. And in that, he enters the very pages of this book, earning honours (in Political Science!) from Canada's first degree-granting institution, the University of King's College, in association with Dalhousie. Although the token is far inferior to the quality of our love and admiration for him, it is with gratitude and pride that Margaret joins me in dedicating this book to our son, John.

Halifax, N.S.
August 1991

About the Author

David M. Cameron received his university education at the University of British Columbia, Queen's University and the University of Toronto, obtaining his Ph.D. in Political Science in 1969. He joined the Political Science Department of Dalhousie University in that same year. From 1971 to 1973 he served as Senior Policy Adviser to the federal Ministry of State for Urban Affairs, while on leave from Dalhousie. In 1975 he was appointed the first Director of the new School of Public Administration at Dalhousie, a position he held until 1980. He then joined the President's office, first as Executive Director of Policy and Planning and subsequently as Vice-President, Planning and Resources. He returned to full-time teaching and research in 1985, as Professor of Political Science.

David Cameron has published extensively on Canadian federalism, intergovernmental relations, and education. He has also written for numerous commissions and task forces, including the provincial ministers responsible for manpower policy, the Ontario Royal Commission on Declining Enrolment, the Task Force on National Unity, and the National Forum on Post-Secondary Education.

He currently lives in Halifax with his wife, Margaret. Their son, John, graduated this spring from King's College and Dalhousie University.

INTRODUCTION

1

The Making of a Crisis

By 1955 Canadians were awakening to a crisis in their universities. The immediate cause of this awakening was the growing evidence of an imminent explosion in enrolment, seemingly beyond the capacity of existing institutions to accommodate.

The Sheffield Projections

The magnitude of this crisis was outlined in stark simplicity by Dr. E.F. Sheffield in a short paper entitled "Canadian University and College Enrolment Projected to 1965,"[1] presented to a symposium organized by the National Conference of Canadian Universities (NCCU) in June 1955. Sheffield based his projections on two phenomena that were well established by 1955: a significant growth in the birth rate which began after the Second World War and showed no signs of abating, the postwar "baby boom," and a gradual increase in the proportion of those aged 18 to 21 who were choosing to attend university. Sheffield calculated the trend in this participation rate over the previous 13 years and projected it, at the same rate of increase, for the next 10 years. He then applied that participation rate to the projected number of Canadians who would be between 18 and 21 in each of the next 10 years, derived from the actual number of births 18 to 21 years previously. The methodology was at once both simple and compelling and its results were generally accepted as valid, if startling.

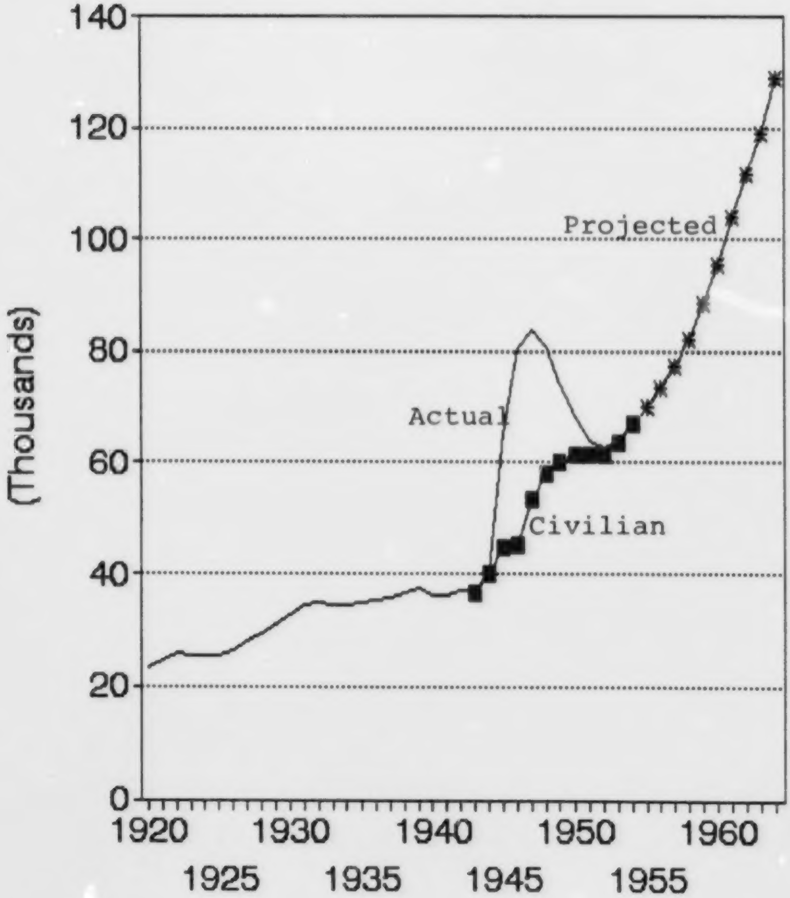
Sheffield projected that full-time university enrolment would almost double between 1954-55 and 1964-65, increasing from 67,500 to 128,900. What made this prospect so dramatic, indeed frightening, for Canada's university leaders was their certain knowledge that existing institutions had nothing remotely approaching the capacity to absorb so great an increase in enrolment. They had just completed the herculean task of accommodating the great bulge of veterans who flooded the campuses under the provisions of the Veterans Rehabilitation Act. This they had done by renting space, begging and borrowing equipment, extending schedules and pressing their faculties into extra teaching, often past normal retirement. Meanwhile, the legacy of 25 years of depression, war, and postwar inflation was painfully evident in deteriorating buildings and staff salaries. The prospect of a near doubling of enrolment, when set against this backdrop, did indeed constitute a crisis in higher education.

The following table illustrates graphically the magnitude of the projected enrolment growth. Not only did it promise to dwarf the veterans' bulge, but it also seemed to have no end.

The immediate effect of these projections was to galvanize Canada's university leaders into concerted action. In fact, they had already been at work for some time preparing the ground for a major public relations effort that was designed, significantly, to yield increased support from the federal government.

The longer term effects would prove to be little short of revolutionary. Over the ensuing three decades, almost every aspect of higher education would change; even the concept of "higher" would yield to "postsecondary." Subsequent chapters will tell the story of those changes—in public policy, in the organization and operation of universities, and in relations between universities and governments—but first it is necessary to step back and take a brief look at developments before the Second World War. For if the changes after the war were dramatic, they were nonetheless changes to a set of ideas and institutions that have been evolving continuously in Canada since at least 1635.[2]

Chart 1
Actual Full-time Enrolment, 1920 to 1954
and Sheffield Projections to 1964



Sources: Statistics Canada, *Historical Compendium of Education Statistics from Confederation to 1975* (Ottawa, 1978, p. 27), and Sheffield, "Canadian University and College Enrolment Projected to 1965," pp. 42-3.

The Origins of Higher Education in Canada

The founding by the Jesuits of the Collège de Québec in 1635, with funds donated by an aristocratic French family for missionary work in New France, marks the modest beginnings of higher education in what was to become Canada. The college drew its classical program directly from France, but additional practical subjects were taught as well. By 1663, after the arrival of Msgr. François de Laval, the first bishop of New France, the grand séminaire de Québec had been added, specifically for the training of an indigenous clergy. This original colonial system, which was to last for the duration of the French regime, was completed in 1668 with the establishment of the petit séminaire, serving primarily as a residence for those studying at the collège, en route to the grand séminaire and the priesthood. The college grew slowly but steadily, as did the small colony itself, and by the turn of the century enrolled over 100 students.[3] Audet goes so far as to claim that "cette institution . . . fut la source même de la perennité de la race française en terre d'Amérique."[4]

Both the seminary and the college were forced to close during the British siege of Quebec. The college never reopened. Teaching was resumed in 1765, but entirely within the seminary. A second classical college, Saint-Raphael, was established in Montreal in 1767 by the Sulpicians, becoming the Collège de Montréal in 1806. The importance of these original classical colleges to the preservation of a French society was presently to increase enormously with the influx of English-speaking settlers after the American Revolution.

That same influx also prompted the establishment of the first institution with power to grant degrees: King's College, established in Nova Scotia in 1789. The idea of such a college was actually conceived in New York in 1783 by a group of Anglican Loyalists who, having lost their first King's College to the revolution (it would later reopen as Columbia), were anxious to secure the principles on which it was founded in what remained of British North America.

Among that small group was Dr. Charles Inglis, one of the founders and for a short time acting president of King's College in New York. He would shortly join some 18,000 other Loyalists in seeking refuge in Nova Scotia and, in the process, more than doubling the population of the colony. In 1787, Inglis was named the first Anglican bishop of Nova Scotia (a diocese which initially included Canada), and within the year he had obtained funds from the local government for the establishment of a residential academy, or grammar school, in Windsor. From the beginning, however, his real goal was a college. Without a local college, he argued: "The youth of Nova Scotia will be sent for their education to the Revolted Colonies—the inevitable consequence would be a corruption of their religious and political principles."[5]

King's College was established by provincial legislation in 1789, with assured funding of £400 annually. A royal charter was obtained in 1802, and with it an additional £1,000 annual grant from the British government. The governors, named in the charter, were mostly *ex officio* and included the principal officers of the executive government of the colony, including the lieutenant-governor as chairman. The Anglican bishop, as well as being a governor, was named Visitor,[6] although the power of final approval of the college's regulations was vested in the Archbishop of Canterbury.

Against the advice of Dr. Inglis, and contrary to the practice in the former King's College in New York, the governors determined that the fledgling college would follow the practices of Oxford, not only in the style of its curriculum but also in requiring of all professors and students an oath of allegiance to the Thirty-nine Articles of the Church of England. Inglis urged the archbishop to veto this provision and succeeded in having it modified such that the oath was required only at graduation rather than at matriculation, or entrance to university-level studies.[7] Non-Anglicans, the vast majority of the population, would thus be able to study at King's, but they would not be eligible for degrees. Moreover, they were expressly forbidden, throughout their studies, from attending: ". . . the Romish mass, or the meeting houses of Presbyterians, Baptists or Methodists, or the conventicles or places of worship of any other dissenters from the Church of England."[8]

This exclusiveness was quite out of place in such a small, pioneer society, less than a quarter of whose members belonged to the Church of England, and it constituted for King's an "almost fatal blow, from which the College never fully recovered." Enrolment, for example, which had stood at about 18 per year at the college level, dropped to an average of only 3.5 between 1803 and 1810.[9]

One of those who tried to remove the Anglican oath at King's was the new lieutenant-governor of Nova Scotia, Lord Dalhousie. When his petition to the Archbishop of Canterbury was rejected in 1818, he turned his attention to establishing, as an alternative, the college that was to bear his name. Using funds collected by the British as customs duties at Castine, Me., during the War of 1812, he had by 1820 provided a modest endowment and laid the cornerstone for a college building in Halifax.

Dalhousie's idea of a college or university for Nova Scotia was fundamentally different from that of King's. "It is to be formed," he stated in laying the cornerstone, "in imitation of the University of Edinburgh." What Dalhousie sought to imitate was the open admissions policy, public lectures, and broad, even practical, curriculum characteristic of the Scottish universities. The lieutenant-governor went on to promise that:

> . . . its doors will be open to all who profess the Christian religion; to the youth of His Majesty's North American Colonies, to strangers residing here, to gentlemen of the military as well as the learned professions, to all, in short, who may be disposed to devote a small part of their time to study.[10]

It might have been better for the new college had Lord Dalhousie paid more heed to Edinburgh's governing structure as well. The University of Edinburgh was then a municipal institution, governed by the city council, and while its standards were high its loyalties were local.[11] In contrast, Dalhousie made the near fatal mistake of placing control of his college in the hands of the same Tory clique that governed King's. The consequence was that nothing came of Dalhousie College, apart from its building, for another 18 years, although at least two attempts were made by colonial authorities to remove King's to Halifax and combine it with Dalhousie as the provincial university. King's governors resisted this pressure, even at the price of losing their annual grant from the British government, and they steadfastly refused the colonial secretary's demand that the royal charter be surrendered.

Thus was defined the central issue that would dominate the early development of higher education in British North America. On the one hand were those, mostly Anglican and Tory, who saw control by the official (Anglican) church as a mark of loyalty to the Crown and true religion. On the other hand was the great majority of the people, Roman Catholic and Protestant alike, who were excluded from the Anglican college. This issue would be resolved differently in each province, and the manner of its resolution would do much to determine the future structure of higher education in Canada.

THE MAKING OF A CRISIS

When New Brunswick was separated from Nova Scotia in 1784, planning for a university began almost immediately. In this, New Brunswick followed much the same route as Nova Scotia, and debate continues as to which actually established the first college. One thing is certain, however: New Brunswick's smaller population and less developed society provided even less fertile soil for an exclusive, sectarian institution. An academy was established in 1787, and a university charter was obtained from the provincial legislature in 1800, vesting authority in "the Governor and Trustees of the College of New Brunswick," and providing an endowment in the form of a land grant of some 6,000 acres. Like King's in Windsor, the College of New Brunswick limited its degrees to Anglicans, and also like King's the result was that the college remained virtually dormant, amidst bitter opposition.[12]

Higher education in Quebec continued to be limited to the two classical colleges, with no provision at all for the small but growing English-speaking community. It took some years for the British government to develop a *modus operandi* for the colony and, until it did so, dreams of establishing a university came to nought. The basic political structure was defined in the Constitution Act, 1791, by which the colony was divided into Upper and Lower Canada, the former (mostly wilderness at the time, but the new home of several thousand Loyalists) to develop under British law and custom, and the latter to be a mixed French and English regime. Movements to establish universities in each of the two sections began almost immediately, but neither met with early success.

The impediment in Lower Canada was the very duality of the colonial society itself. The British authorities resisted overtures by the Catholic hierarchy to establish a university for the French-speaking majority, while the idea of a comprehensive educational system was unacceptable to that majority by virtue of its English Protestant sponsorship. The Protestant community persisted, however, and did succeed, in 1801, in obtaining a charter for The Royal Institution for the Advancement of Learning. While a few "royal" schools were established under the provisions of this charter, the institution itself existed only on paper, for it had no officers, trustees or funds.

This delicate balance of inaction was challenged by the death in 1813 of a local merchant, James McGill. His will bequeathed a substantial estate to the institution, provided a college bearing his name was established within 10 years. The endowment was very nearly forfeited, and it was largely the work of one John Strachan, a young Scottish immigrant recently ordained in the Church of England, that the semblance of a college was put in place. The institution was incorporated in 1816, and a royal charter obtained for McGill College in 1821. By 1824 a principal and four professors had been employed. There were no students, however, and the "college" was denied access to McGill's estate by his heirs. It would take another decade, and an appeal to the judicial committee of the Privy Council, to establish clear title to the property. It would take much longer to begin teaching in the college. In the meantime, an agreement was worked out with the hospital-based Montreal Medical Institution, whereby it became the faculty of medicine of McGill, and the only active component of the college when it was officially opened in 1829.[13]

For the next 25 years, McGill was caught in a veritable crossfire of competing claims by the executors of the estate, the trustees of the Royal Institution, and the governors of the college. Very much a central feature of this controversy was the issue of whether McGill would follow the pattern of King's and New Brunswick as Anglican institutions. Indeed, after 1835, Principal Bethune tried mightily to copy the high church pretensions of the Oxford Movement.[14]

Meanwhile, additional classical colleges were established in Lower Canada, almost always at the instigation of a parish priest with the support of his bishop, but occasionally with lay sponsorship as well. Between 1803 and 1850, nine more colleges were added to the two established earlier in Quebec and Montreal (four others were started but did not survive).[15]

In Upper Canada, the Executive Council had actually set aside half of a 550,000 acre land reserve for the endowment of a university in 1798. Nothing material came of that, however, until 1827 when the lieutenant-governor sent the same John Strachan, now the archdeacon of York, to London to obtain a royal charter. He succeeded in his mission, returning with a charter for a second King's College. Archdeacon Strachan was designated president, the Anglican bishop of Quebec was named the official visitor, and all the members of the governing council, which would include several professors once they were appointed, were to be Anglicans. King's was also to have a convocation, consisting of the president, faculty and those of its graduates who paid an annual fee. The idea of convocation was taken from Oxford where this was the senior governing body, but in the case of King's, it was a much less powerful body.[16] The one liberal element was the absence of any religious test for students. Ironically, this charter was virtually copied for New Brunswick in the same year when its college, revived under a new president, was reorganized under royal charter as the third King's College.

The Legislative Assembly of Upper Canada objected strenuously to the King's charter and, following a committee investigation in 1828, the British government actually requested that the charter be surrendered until terms more acceptable to the majority could be agreed upon. Strachan refused, and while he retained the charter he did not yet have a college. Indeed, it was not until 1837, with a Tory majority in the legislature, that a further attempt was made to secure a college. Legislative amendments in that year removed most of the formal Anglican restrictions, substituting the Court of King's Bench for the Anglican bishop as visitor, but still the new, 12-member governing council of the college consisted entirely of Anglicans.[17] Preparatory work was actually about to begin on a site and building in 1837, when the entire enterprise was further delayed by rebellion, political instability and, presently, the reunification of Upper and Lower Canada.[18]

The struggle over denominational control of higher education would continue to dominate the agenda of public policy for the next 30 years. By now, however, Anglican intransigence was fast being matched by the impatience of other denominations and their leaders, denied not only general access to higher education but, at least as important at the time, denied also the opportunity to train their own clergy. The idea of the non-sectarian, provincial university would not be lost, but it would now have to compete with a growing multitude of denominational institutions.

The Growth of Denominational Colleges

The Methodists were first off the mark, establishing the Upper Canada Academy in Cobourg under royal charter in 1836, the first such charter ever granted to a non-Anglican institution.[19] Five years later, provincial legislation elevated the academy to degree-granting status, now under the name of Victoria College. Its first principal was Egerton Ryerson, later to be the very influential superintendent of education for the province. This initiative of the Methodists is important not only because it signalled the beginning of the multi-denominational college system, but also because it introduced a decidedly American influence to the content of higher education. This influence would reinforce and extend the concern with practical studies, derived earlier from both the French and Scottish heritages. From the beginning, for example, courses such as navigation and surveying were taught at Victoria.[20]

The Catholic Church was fast on the heels of the Methodists, establishing Regiopolis College in Kingston, under provincial legislation in 1837 (it did not obtain full degree-granting powers until 1866). The Presbyterians followed in 1840 with the University at Kingston, renamed Queen's under a royal charter issued the following year. Queen's was clearly intended to rival King's, and it was "just as closely controlled by the Presbyterians as was King's College by the Anglicans."[21] Indeed, not only the trustees (the majority of whom were clergymen), but also all of the professors were required to declare their adherence to the Westminster Confession of Faith. Queen's was also based firmly on the model of the Scottish universities, with academic control vested in a senate comprising the professors of the university.

In Nova Scotia, Dalhousie College was finally brought to life in 1838, but with profound denominational consequences. The college that was to have been non-denominational, and open to all who cared to devote a part of their time to study, was now firmly in the hands of Church of Scotland Presbyterians. The appointment to the presidency of Dr. Thomas McCulloch, a Secessionist Presbyterian and president of the highly regarded Pictou Academy, seemed to promise a bright and liberal future for the college.[22] The determination of the governors to exclude all non-Presbyterians from the faculty, and particularly Dr. E.A. Crowley, a Baptist, very much dampened that promise. Joseph Howe did succeed in having a bill passed in 1841 enlarging the board and broadening its representation, but the damage had been done.

Within the year the Baptists, led by the same Dr. Crowley, petitioned for a provincial charter for their Queen's College and, while objection was taken to that name as inappropriate for an institution sponsored by dissenters, legislation was passed in 1841 to incorporate Acadia University in Wolfville.[23] Taking that action as a signal "that the Nova Scotia Legislature was prepared to support higher education on a denominational basis,"[24] Catholics in Halifax, led by a new Irish priest, Rev. R.B. O'Brien, set about organizing Saint Mary's University. A board of trustees was incorporated in 1841, but O'Brien's return to Ireland in 1845 left the college leaderless and it rapidly deteriorated.[25] It would finally open, but only temporarily, some 30 years later. The Methodists were busy also, establishing in Sackville, virtually on the border of Nova Scotia but in New Brunswick, the academy that would be incorporated as Mount Allison Wesleyan College in 1858.[26]

Ironically, Dalhousie's much delayed first life was to be a short one. With the death of McCulloch in 1843 the college ceased operations and would not be revived, although then it would be permanently, for another 20 years.

In the same year that Dalhousie suspended operations, King's College, Toronto finally opened, occupying the legislative building vacated as a consequence of the union of Upper and Lower Canada. But by now a new idea had emerged: several colleges, including denominational colleges, might become the teaching components of a university that administered common examinations and awarded common degrees. This idea was taken from the new University of London, in England, which had been established in 1836 as a federation of University College and King's College, with provision for additional units to join.[27]

The idea of federation had an immediate attraction for Regiopolis, Queen's and Victoria, for it held out the prospect of sharing in the university endowment then monopolized by King's. Thus, as early as 1843, Queen's was responsible for initiating the movement that culminated in Baldwin's bill to create the University of Toronto as a federation of King's, Queen's, Victoria, and Regiopolis. Not surprisingly, the bill was bitterly opposed by King's, and while that particular initiative died with the resignation of the first Baldwin-Lafontaine ministry in 1844, the "university question" remained squarely before the Canadian legislature. Some irony attaches to the fact that Queen's very nearly died with the first University of Toronto bill, albeit for unrelated reasons. In 1844 the Presbyterian Church split into two factions: the Kirk, supporting the established Church of Scotland, and the Secessionist or Free Church Presbyterians. Queen's was controlled by the "Old Kirk" faction, with the result that "... at one blow the infant University lost about two thirds of its students and its supporters."[28] Enrolment actually fell to 10 students in 1844. The majority, Free Church faction was in any case less disposed to support general denominational education, and proceeded to organize Knox theological college in Toronto.

Following the election of the second Baldwin-Lafontaine ministry in 1848, and with it the establishment of responsible government in the province, a bill to create the University of Toronto was again introduced, and this time was passed, in 1849. This legislation was based on quite different principles, with no hint of federalism. Rather, it took dead aim at King's College, not only changing its name but also removing its denominational character entirely, including the right to teach theology, and placing it squarely under the control of the provincial government.

The new University of Toronto was anything but a great success. It was one thing to remove Anglican privileges from the "provincial" university; it was quite another to remove all traces of religion. Indeed, the immediate consequence of this reform legislation was the establishment of yet another denominational university, as the tenacious John Strachan, now over 70, proceeded to organize his third university. While Toronto was roundly attacked as "the godless institution," Bishop Strachan succeeded in obtaining a royal charter for Trinity in 1852.

That turned out to be something of a banner year for royal charters; no fewer than three were granted in 1852. At the time, one of these was quite remarkable, creating not only a French but also a Catholic university under the prerogative of the British Crown, the only such institution in North America or the British Empire.

The Catholic hierarchy in Lower Canada had for some time been debating the wisdom of seeking a university charter. The several classical colleges provided the foundations of a higher education, and vocations in the church were available through the seminaries, but advanced study in other disciplines and especially other professions, was essentially non-existent, except overseas or in English. In 1851 Msgr. Bourget, Bishop of Montreal, wrote to Archbishop Turgeon in Quebec, posing a question that was at once both rhetorical and prophetic: "N'est-il pas certain que le Séminaire de Québec serait . . . choisi pour être l'Université Catholique de notre Amérique Britannique?"[29]

This is precisely how Laval was constituted, for the charter simply extended to the petit séminaire de Québec the rights and privileges of a university within the four traditional faculties of arts, law, medicine, and theology. Moreover, the university was effectively to be governed by the seminary, under the control of the archbishop; the superior of the seminary would be, *ex officio*, the rector of Laval, and the governing council would consist of the rector, the directors of the seminary, and the three senior professors in each of the four faculties.[30]

This constitution was to be the cause of great difficulty in establishing a faculty of arts within Laval. Faculties of law and medicine were quickly organized and, with papal authorization, the grand séminaire became the faculty of theology. The support of Bishop Bourget and others, however, had been premised on the expectation that the new university would be open equally to the graduates of all classical colleges, whereas the first rector insisted on controlling the standards of the baccalauréat ès arts and thus admission to Laval. The result was not only opposition from other colleges, but the beginning of the movement to establish a second university in Montreal.[31]

The third royal charter granted in 1852 was McGill's second. This one was enormously more successful than its predecessor. Not only did it remove all denominational references, but it also incorporated an ingenious constitutional device by which the trustees of the Royal Institution became the board of trustees of McGill University, ending a quarter of a century of conflict between the two boards. That, along with the Governor General's promise that only Protestants would be appointed to the board, confirmed McGill's basic character (in 1864 the board became self-perpetuating, and immediately established a by-law specifying that all appointees "shall be laymen of some Protestant denomination," a provision that was not discarded until 1934).[32] The appointment in 1855 of William Dawson, educated at McCulloch's Pictou Academy and the University of Edinburgh and at the time superintendent of education for Nova Scotia, finally launched McGill on a successful course, "turning it away from Old World models and developing its practical usefulness in a colonial society."[33] McGill was also organized in accordance with the Scottish tradition, including a strong senate. As at Queen's, the executive head is named principal rather than president.

The removal of Anglican denominational control from McGill had one consequence not dissimilar from that which attended the creation of the University of Toronto. In this case, the Anglican bishop of Quebec, George Mountain, obtained a royal charter and full degree-granting powers in 1853 for his Bishop's University in Lennoxville, an institution he had been struggling to develop within the limited provincial incorporation granted in 1843. Like John Strachan's Trinity in Toronto, this was unabashedly an Anglican college, firmly controlled by the bishop.

Another attempt was made in 1853 to resolve the university problem in Toronto. This time, the model of the University of London was indeed adopted, with the result that the University of Toronto became an examining body only. Responsibility for teaching was assumed by a new University College, and by proprietary professional schools in the case of law and medicine.

An interesting development occurred in Nova Scotia a year later, in 1854. The board of governors of King's, by virtue of its *ex officio* composition, had come to contain a number of non-Anglicans, and particularly Presbyterians, and the board itself was showing signs of interest in a merger of King's and Dalhousie, no doubt sparked in part by the decision of the Nova Scotia legislature, in 1851, to terminate the original £400 annual grant to King's. Opposition to this idea arose immediately among King's alumni who secured a legislative amendment to the charter, giving them the right to elect a substantial portion of the board, the remainder to be elected by the Anglican Synod. The annual grant was duly reinstated, now set at $1,000, the same as was paid to Acadia.[34]

A quite different fate awaited the other remaining King's College, in Fredericton. Legislation in 1846 had removed the Anglican qualification for members of the governing council of the college, but it nonetheless continued to be perceived as an Anglican institution and, as such, faced strong opposition. After a particularly fiery debate in the legislature, a royal commission was appointed in 1854. That commission recommended that King's be transformed into a truly non-denominational provincial university, a recommendation which was embodied in legislation passed, albeit barely, in 1859. The chair in divinity was abolished, the president was by law to be a layman, and the name of the institution was changed to the University of New Brunswick (UNB).[35] One of the members of that royal commission was William Dawson, en route from the superintendency of education in Nova Scotia to the principalship of McGill. Another member was Egerton Ryerson, superintendent of education in Upper Canada and the former principal and president of Victoria.

Ryerson was soon to take a quite different approach to the denominational issue in his own province. In the early 1860s he led an attack on the University of Toronto, with the objective yet again of securing access to the university endowment. Under the University Act of 1853, the University of Toronto and University College were given first claim on the endowment, with any amount remaining to be shared among the denominational colleges. The problem, quite simply, was that there never was any amount remaining, lending at least superficial credence to charges that the institution was poorly managed, and perhaps deliberately so.

Ryerson's efforts met with some initial success, and a three-person royal commission, comprising the vice-chancellor of Toronto and one member of the board of Queen's and Victoria respectively, was established to investigate his charges. The commission reported in 1862, proposing that the University of Toronto become the University of Upper Canada, but still as an examining body only. University College would, ironically, revert to its original title of King's, and the entire enterprise would be governed by a senate composed mainly of representatives of the colleges. This scheme had been supported by the governing senate of Toronto, then consisting mainly of government appointees, as well as the president of University College. It might well have been implemented had it not been for the appointment of new government representatives on the senate and a subsequent campaign by that body against the proposals. In the end, nothing came of the 1862 commission report.[36]

In 1863 Dalhousie University was finally launched successfully. In part this was the result of the reunification of the Presbyterian Church, the successful negotiation of which had sparked a new resolve to address the university issue. The idea on which Dalhousie's revival was based, however, came from McGill's principal, William Dawson. That idea was to extend to each denomination membership on the board of governors proportionate to its support of the university; in effect, one seat on the board for each endowed academic chair (at $1200 annually per chair). This formula paved the way for support by the Presbyterian Church, which immediately assumed responsibility for the salaries of three professors (half the total staff).[37] The offer was open to all denominations, but none of the others took advantage of it, preferring to retain their own institutions while complaining of what they perceived to be the privileged position occupied by Dalhousie.[38]

Under the new Dalhousie act the college was declared to be a university, and this time was bequeathed its full Scottish heritage, including bicameral government: "The internal regulation of the said College shall be committed to the Senatus Academicus formed by the respective chairs or professorships thereof, subject in all cases to the approval of the Governors."[39]

That same year, 1863, also witnessed some progress in resolving the relationship between the independent classical colleges and Laval University. After a ruling by the Vatican against a second university in Montreal, Laval did manage to negotiate affiliation agreements with five of the then 13 colleges, giving Laval substantial academic control over the affiliated institutions but, in turn, granting their successful graduates direct admission to Laval. In due course this would become the pattern for all colleges. In effect, while retaining their institutional autonomy, the five affiliated colleges became decentralized constituent units of the faculty of arts of Laval, a quite remarkable arrangement that not only gave unity to the system but much strength to the smaller colleges.[40] Tension between Quebec and Montreal continued unabated, however.

It is perhaps appropriate that the middle years of the nineteenth century have been described as "the Golden Age in the history of church colleges."[41] Indeed, several more were added in the 1850s and 1860s, with the Catholic Church by far the most active. In Nova Scotia, Bishop McKinnon, who had started a seminary in Arichat on Cape Breton Island in 1853, moved it to Antigonish on the mainland in 1855 and added a degree program under the name of the newly incorporated St. Francis Xavier's College (it became St. Francis Xavier University under a provincial charter granted in 1866). St. Dunstan's, essentially a classical college, was opened in Charlottetown, P.E.I., in the same year. Both St. Francis Xavier and St. Dunstan's initially looked to Laval for the admission of their graduates to further university work.

Four Catholic institutions, again essentially classical colleges but with some theology, were established in Upper Canada in the same period: Bytown by the Oblates in 1848 (renamed Ottawa in 1855); St. Michael's under the Basilians in Toronto in 1852; Assumption in Windsor, also under Basilians, in 1857 (it operated only occasionally under a variety of auspices until 1870 when responsibility for it was assumed once again by the Basilians and it was put on a reasonably sound footing, consistently attracting a large proportion of American students); and St. Jerome's in Waterloo, established by Resurrectionists in 1865.[42]

Other denominations were at work as well. A group of Episcopal Methodists started Albert College in Belleville in 1857, which was affiliated with the University of Toronto in 1861 and obtained a provincial charter and full degree-granting powers in 1866.[43] The

Baptists established the Canadian Literary Institute (later known as Woodstock College), offering the first years of university work, in 1860. And the new Anglican bishop of Huron, Benjamin Cronyn, with the help of his archdeacon, Isaac Hellmuth, both evangelical Anglicans and thereby displeased with Trinity, established Huron College in London in 1863. The provincial charter specified that all members of the corporation were to be "strictly Protestant and Evangelical Members of the United Church of England and Ireland."[44]

Not surprisingly, given the religious and linguistic sensitivity of the subject and the small size of the institutions (only Laval, McGill, Toronto, Victoria and Trinity had as many as 100 students in 1867), education, including higher education, was confirmed as a matter of exclusive provincial legislative responsibility in the British North America Act, 1867.[45] This had little immediate significance in Nova Scotia and New Brunswick, except perhaps for the fact that universities would henceforth have to appeal to governments even more strapped for funds than previously. But in Central Canada, and especially in the new province of Ontario, the consequences were both immediate and significant. Within a year of Confederation, Premier Sandfield Macdonald of Ontario announced that all grants to denominational universities and colleges would be terminated. The University of Toronto was left with its endowment income; the denominational institutions were left to the generosity of their sponsoring churches. One institution, Regiopolis, which had only just obtained degree-granting powers, closed as a result of the termination of government support.

Queen's University managed to raise an endowment sufficient to offset the loss of government support which, in any case, had amounted to only $3,000 a year. A more significant development turned out to be the decision of the reunited Presbyterian Church to reduce its support of Queen's, and to terminate altogether its support of instruction other than in theology. By an act of the Ontario legislature in 1874, Queen's became an autonomous corporate body, its board of trustees self-perpetuating, although still to be Presbyterians.

While Confederation placed education firmly within the legislative responsibilities assigned to the provinces, it was not entirely clear in the early years what the limits of this assignment would turn out to be. Thus, the federal Parliament was not challenged in 1874 when it passed legislation creating the Royal Military College (RMC) in Kingston. The establishment of RMC was justified under Section

91(7), in respect of defence, even though Canada had no standing army and thus a questionable need for military engineers. Indeed, the minister of militia and defence, Hon. William Ross, allowed that in the very likely event that RMC's cadets were not required by the military, "the several industries in the Dominion would absorb their services in the advancement of civil pursuits."[46] The military college was not authorized to grant degrees, however.

Laval's difficulties in reaching an accommodation with the Bishop of Montreal had by now become both protracted and bitter. After several competing petitions to Rome, a compromise decision was made in 1876 to establish a satellite campus of Laval in Montreal. With that, the Bishop of Montreal resigned, but even that did not end Laval's problems in Montreal.[47] Faculties of law, medicine, and theology were established, but it would be another decade before work was begun in arts. The Jesuits rejected a proposal that their Collège Sainte-Marie (established in 1848 at the invitation of Msgr. Bourget) form the Montreal branch of the Laval faculty, preferring to press for full university status themselves.

Federation and the Non-sectarian University

The idea of consolidating several colleges, denominational or otherwise, under one university examining body, pioneered in London in 1836 and copied, albeit not very successfully, for Toronto in 1853, was tried once again in Nova Scotia in 1876. Legislation in that year created the University of Halifax, to examine and grant degrees to students from any of the several colleges in the province. Grants to those colleges were increased for a five-year period, as an incentive to cooperate, although their right to grant degrees was neither withdrawn nor suspended. The idea was that if the University of Halifax could establish itself within the five-year period, it would then become the provincial university, the colleges withdrawing to theology only.[48]

In the event, there was little support for the new institution among either the public or the colleges and, with the expiry of the five-year trial in 1881, the government moved to abolish the University of Halifax, put support to the colleges back on a continuing basis, and introduce a program of regular inspections by the superintendent of education. In a bizarre twist of partisan provincial politics, however, the appointed legislative council defeated the whole bill. The result was not only that the defunct University of Halifax retained its legal incorporation, but provincial grants to all colleges and universities were also terminated, not to be restored for 82 years, in 1963![49] One immediate casualty was—again—Saint Mary's. Already weak, it ceased its college-level work altogether when its grant was cut off.[50] The other colleges struggled on as best they could, Dalhousie faring better than most.

The same basic idea was adopted, but with rather more success, in the new province of Manitoba. By the early 1870s, Manitoba already had four denominational colleges, all variations of the classical model, and all serving the primary purpose of training a local clergy.[51] The Catholic, bilingual, Collège Saint-Boniface, successor to the original missionary school established in 1818, had been offering the full classical course since 1867. The Anglican St. John's College, established as an academy in 1833 and closed for 10 years after 1856, offered college level instruction after 1866. Manitoba College was established by the Presbyterian Church in 1871, and Wesley College by the Methodists in 1873. Thus, as W.L. Morton has noted:

> The development of higher education in Manitoba might repeat, as the population of the province grew and the various denominations strengthened, the denominational conflict over higher education which the Province of Ontario had known.
>
> It was fear of such a conflict which inspired the foundation of the University of Manitoba.[52]

The University of Manitoba was established by provincial legislation in 1877. It was an examining body only, with no teaching responsibilities and, significantly, no paid staff. It was, however, given a monopoly over degrees granted in the province. It was to be governed by a council, the majority of whose members were representatives of the participating colleges, and headed by a chancellor who was appointed by the government. On academic policy matters, the council was to be advised by a board of studies. Manitoba began a practice that would subsequently be copied in the other western provinces. The charter provided for convocation, a body that would comprise all of the graduates and staff of the university and would have the right to elect some members of the governing council and to tender advice on any matter of concern to the university. In the case of a new university, however, there were no graduates. The first convocation, therefore, comprised the graduates of any university in the British Empire who had been resident in Manitoba for at least two months and who registered with the provincial secretary.

The original manner of financing the University of Manitoba must be one of the most unusual in the experience of Canadian universities. In addition to examination fees and a very modest annual grant of $250 from the province, the university was granted, for five years, revenues derived from the issuance of marriage licences in the province. After several unsuccessful attempts the university did succeed in 1884 in obtaining a more secure endowment, receiving a federal land grant of 150,000 acres, thought to be worth about $1.00 per acre at the time.[53]

The remarkable achievement in Manitoba was the successful union of denominational colleges in a state university. D.C. Masters is entirely correct in claiming that:

> The establishment of the University of Manitoba was an important landmark in the history of church colleges in Canada. It meant that the component colleges were able to continue the liberal arts course in a church atmosphere, while sharing in the benefits of membership in a larger body. The unique Canadian achievement in higher education, the working out of a relationship between church colleges and secular universities had begun.[54]

Another step in the working out of that relationship was taken in 1878 with the founding, under provincial legislation, of the Western University of London. Western was organized by a group of alumni of Huron College, with the support of the bishop, now Isaac Hellmuth, and with the purpose of establishing a full university program in the developing southwestern region of Ontario. It was governed by a senate composed mainly of alumni, and its chancellor, provost and, indeed, all members of senate were still to be evangelical Anglicans.

Western established its own faculty of arts, and by 1881 Huron College had become the faculty of divinity while a medical school organized by a group of local physicians was loosely affiliated as the faculty of medicine. This experiment, creating a denominational university but with church support limited to theology, proved not to be viable under the circumstances, and Western was forced to suspend teaching in arts in 1885 when, in the face of severe financial difficulties, Huron College withdrew from affiliation with the university (leaving only medicine for the next 10 years).[55]

This, of course, was the same idea on which Queen's had been reorganized in 1874. That legislation, however, ran into difficulties after the judicial committee of the Privy Council ruled in 1882, on a separate but related issue (Dobie vs. The Temporalities Board), that Quebec alone did not have the constitutional authority to legislate with respect to a Presbyterian Church board that had been incorporated by the Legislature of the Province of Canada, and in respect to which Presbyterians in both Ontario and Quebec had continuing financial interests. Some within the Church argued that even though Queen's was physically situated in Ontario, the same principle applied, and therefore the Ontario legislation of 1874 would be *ultra vires*. Indeed, a group of clergymen initiated court action to restrain the Queen's board from acting under the Ontario legislation. The solution sought by Queen's was an act of the Parliament of Canada, which was passed in 1882 and was identical in content to the act passed earlier by Ontario. While this solved the immediate problem, it put Queen's in the anomalous position of coming within federal jurisdiction, for subsequent amendments to the charter would also have to be dealt with by federal legislation.[56]

Prince Edward Island departed from typical Canadian practice when, in 1879, its non-denominational Prince of Wales College (established as the Central Academy by royal charter in 1834 and renamed in 1860) was combined with the provincial normal school and began offering the first two years of university work. The college was distinctive in another respect; in the 1879 reorganization the board of governors was abolished and the college came under direct government control and operation.

The federal government passed another university act in 1883, incorporating the University of Saskatchewan. This was introduced as a private member's bill, following a petition by the Catholic bishop, and was intended to create a federated university something along the lines of Manitoba, albeit denominational in character. What was intended to be the first constituent college, Emmanuel in Prince Albert, had been founded in 1879. Nothing ever came of this University of Saskatchewan, although the existence of the federal act proved to be something of an embarrassment and was finally amended in 1914 to become the University of Emmanuel College Act (Emmanuel, meanwhile, had relocated to the campus of the provincial University of Saskatchewan in Saskatoon).[57]

Laval finally succeeded in establishing a branch faculty of arts in its Montreal campus in 1887, through an arrangement with the Sulpicians. The École Polytechnique, established in Montreal in 1873 as a public institution, was affiliated with Laval in the same year. Relations between Montreal and Quebec, and between Collège Sainte-Marie and Laval, continued along their acrimonious path, however. That situation was ameliorated in 1889 by the papal constitution "Jamdudum," which granted virtual autonomy to both the Laval satellite campus and Collège Sainte-Marie. Henceforth, graduates of both Montreal institutions would receive the baccalauréat ès arts automatically upon the presentation of their names to Laval.[58]

The Advent of Science

Reference to a polytechnical institute bears witness to a new idea that was beginning to challenge the Canadian university through the latter part of the nineteenth century and would quite transform it in the twentieth. That idea, of course, was science and its corollary, the scientific method of enquiry and research.

Science affected the university in at least four respects, all of them crucial. First, it created the need for expensive laboratories, equipment and additional staff, far beyond the financial capacity of most of the existing institutions. Second, it invaded the very sanctuary of the church college, subjecting the study of the Bible itself to the scientific method or, as it came to be dignified, "the higher criticism." Third, it brought with it, most directly from Germany, the idea of academic freedom, at least for professors (the parallel idea of the students' freedom to learn did not fare well in crossing the Atlantic, although it did inspire the movement away from the fixed curriculum to elective subjects). Finally, it fostered the notion that research could contribute directly to material advantage in an increasingly industrialized economy, a notion which, in turn, invited an entirely new interest in universities on the part of government and business leaders.

These effects were not felt equally, either in time or intensity, in all institutions. They did, however, change significantly the environment within which the relationship between church colleges, secular universities and governments would henceforth be worked out. Nowhere was that change more apparent or far-reaching than in the University of Toronto. The reorganization would take a quarter of a century to complete, but it was revolutionary nonetheless.

The old idea of a federation of church colleges within the ambit of a provincial university was given some additional impetus by the affiliation with Toronto of four theological colleges in the early 1880s (St. Michael's, Knox, the Toronto Baptist College, and Wycliffe, the last an evangelical Anglican college established in opposition to Trinity in 1877). But what forced the issue was a proposal to expand the curriculum within University College, and to seek funding for this expansion in the form of direct grants from the provincial government. Queen's, Victoria and Trinity immediately opposed any government support, beyond the original endowment, unless it extended to all colleges.

The government responded by initiating a series of mostly private discussions with the college principals. From these discussions came a 22-point plan for the federation of all of the denominational colleges, as well as University College, within the provincial University of Toronto. The plan was sent to all colleges in 1884 for their consideration and acceptance or rejection.

In the event, Victoria (which absorbed the college level work of Albert College following the union of Methodist churches in 1884) was the only arts college to respond favourably. Trinity, concerned primarily about the costs of relocation, held out for better terms, but did finally enter the federation in 1903.

Queen's, with strong alumni and community support, managed to raise a further endowment of $260,000 and, with that, decided firmly on an independent course. The logical extension of that decision was the termination of the remaining vestiges of denominationalism. The first step toward this end was taken in 1889,[59] again by an act of the federal parliament, and the process was completed by similar action in 1912.[60] In the meantime, a school of mining and agriculture had been established in 1893, under a separate board so as to qualify for provincial support.

The provincial government seems never to have considered the federation of either Ottawa, which had achieved full university status in 1866, or the Western University, the latter in a state of disarray (work in arts was suspended in 1885).

With this minimal institutional support the government proceeded with legislation, passed in 1887, to create the federated University of Toronto. The basis of this act was a division of the curriculum between the university, which would now assume teaching responsibilities in respect of the sciences and professions, and the colleges, initially University College and Victoria, which would continue to teach but only in specific subjects named in the legislation and comprising, essentially, the humanities. Victoria, in turn, would suspend its degree-granting powers, except in theology, and move its instruction to the Toronto campus on land, but not buildings, provided free by the government.

Three of the four theological colleges continued their affiliation with Toronto. The Baptists decided instead to merge their arts program in Woodstock with theology in Toronto to create McMaster University. Reluctant to accept state support, they rejected federation even though their new university was located adjacent to the campus of the University of Toronto, the land and building having been donated by Senator William McMaster, president of the Bank of Commerce. Within the year the senator died and left $900,000 to the new institution.[61] McMaster was not the only university to benefit from private benefactions in this period. Dalhousie received approximately $350,000 after 1879 from George Munro, a New York publisher, originally from Pictou and brother-in-law of President John Forrest.[62] McGill had received smaller contributions from local businessmen earlier, but after 1880 it began to receive some magnificent benefactions, dwarfing those of any other university in Canada and placing McGill, with Toronto, in the front rank of scientific work.[63]

The new University of Toronto was very much a state university, and with that came a whole new set of problems in university-government relations. The university was governed by a senate, a body that contained 10 government appointees, including the minister of education, as well as *ex officio* representatives of the affiliated and federated colleges, and alumni. Moreover, decisions of the senate came into effect only if approved by the government. Finally, not only the president (who was also the principal of University College and shared executive authority with a chancellor, elected by convocation, and a vice-chancellor, elected by senate), but also all professors were appointed and their salaries determined by the government. The appointment of professors was more than a nominal prerogative of government. William Wallace reveals that appointments were not infrequently made without consulting the president, or even contrary to his explicit recommendation.[64]

The anticipated *quid pro quo* for this degree of government control was increased government support. The latter was actually rather slow in coming, but in 1901 the province assumed direct responsibility for salaries and other costs in the departments of chemistry, physics, mineralogy and geology.

The constitution put in place in 1887 for the University of Toronto represented a major extension of the idea embodied in the University of Manitoba a decade earlier. Thus, not only was the accommodation of church colleges within a secular university consolidated, but also this secular or provincial university was itself given responsibility for teaching and research in the scientific and related disciplines.

The system of government and management provided in that constitution, however, was hopelessly flawed, and was actually made worse by amendments passed in 1901. That legislation incorporated a second governing body, the board of trustees, with general responsibility over the finances and property of the university, but without a clear relationship with senate. It also separated the offices of president of the university and principal of University College, but in so doing it added further confusion to the overlapping responsibilities of the principal, president, vice-chancellor and chancellor. When a new provincial government was elected in 1905, it moved quickly to establish a royal commission on the University of Toronto, chaired by Joseph Flavelle, a local industrialist. One of the other commissioners was Goldwin Smith, formerly of Oxford and Cornell, and secretary to the 1853 royal commission on Oxford.

The Flavelle Commission and Bicameralism

The Flavelle royal commission report, submitted in 1906, was a masterpiece of analysis and advice, and proved to be probably the most influential report ever commissioned in the field of higher education in Canada. Not only did it result in dramatic changes to the structure of government of Toronto but, adopting and extending the bicameral principle already established in such institutions as Queen's, McGill and Dalhousie, it also provided the model of university government that was eventually to be adopted in almost all Canadian universities.

The commission formulated very specific principles of university government for Toronto, and proceeded to derive its recommended structure directly from those principles. First, Toronto was emphatically a state university, subject to control by the state. State control, however, was not to be confused with partisan interference by the government of the day. Rather: "The powers of the Crown in respect to the control and management of the University should be vested in a Board of Governors, chosen by the Lieutenant-Governor-in-Council . . . ."[65]

Subject to the delegated authority of the 20-member board, academic control should be consolidated within a central body, the senate: "The Senate, with its legislative and executive powers and based upon the principle of representation of the federated and affiliated institutions and the faculties and graduates, should direct the academic interests of the University."[66]

Thus was bicameral government brought to the University of Toronto. The commission advanced one other central principle, however: the office of vice-chancellor should be abolished, but "The office of President should be clothed with additional powers, making its occupant in fact as well as in name the chief executive officer of the University."[67]

Perhaps one of the most important of these proposed additional powers was that faculty appointments, promotions and dismissals should be made formally by the board but only on the recommendation of the president.

In order to sustain this independently governed state institution, the commission recommended a new and, at the time, novel scheme of provincial financing. In addition to the existing endowment, now quite inadequate, it was proposed that the University of Toronto receive half of all revenues from provincial succession duties, calculated on the basis of a three-year rolling average, and expected to yield at least $275,000 annually.

One of the intriguing features of the commission report was its inclusion of a complete draft of the legislation that would implement its recommendations. Perhaps even more intriguing, the legislature of Ontario passed this draft, virtually without amendment, just over a month after it was published in 1906.[68] As Michael Bliss observed, "[f]ew Royal Commission reports in Canadian history have been adopted so quickly and completely."[69] The new legislation and funding marked the beginning of a period of unparalleled growth and achievement for the University of Toronto.

The principles embodied in the Flavelle report were quickly copied elsewhere. For example, the Western University, which had re-established work in arts in 1895, was reorganized in 1908 on a non-denominational basis and with a bicameral governing structure of board and senate. Western, however, was sustained by community support, and its board was to contain both provincial and city appointees (county councils were represented on the senate). This, plus a $5,000 annual grant from the City of London, made Western "the first civic or municipal university in Canada."[70]

Provincial Universities in the West

The most dramatic opportunity to apply the principles embodied in the Toronto model, however, came in the west, and especially in the new provinces of Alberta and Saskatchewan. Legislation had been passed as early as 1903 to establish a university for the Northwest Territories. This initiative was picked up in each of the new provinces, resulting in university acts in Alberta in 1906 and in Saskatchewan in 1907. That one year's difference meant that Saskatchewan had the benefit of the Flavelle report in framing its act while Alberta did not. Thus the University of Alberta was originally to be governed by a senate, the majority of whose members were appointed by the provincial government. The University of Saskatchewan, on the other hand, began with a bicameral structure of board and senate, and borrowed from another of Flavelle's proposals, with the proceeds of one third of the succession duties collected by the province earmarked for the university.[71] Alberta's original structure lasted only four years, and in 1910 the charter was amended and bicameralism introduced, the board of governors consisting of the chancellor, president, and nine members appointed by the government.[72] The president was also appointed by the government.

Alberta and Saskatchewan shared two other principles of university organization. Both copied Manitoba in establishing convocations before there were graduates, and in both cases convocation elected a number of members of the university senate. But the more important principle, also shared with Manitoba, was that there should be but one provincial university. Denominational colleges might be affiliated or federated, but from the very beginning the provincial universities of Alberta and Saskatchewan were to be teaching institutions, and the only ones receiving public support. This, of course, made the location of the university a matter of some political importance, and in each case the choice of one of the two major centres was to cause lasting resentment in the other. Saskatchewan at least balanced its allocative decisions by putting the university in Saskatoon, with the provincial capital in Regina, but even so, the Methodist Regina College was in place within three years.[73] Alberta's decision to locate the university in Edmonton, already the capital, led immediately to efforts, not initially successful, to establish a rival institution in Calgary.[74]

Manitoba was still wrestling with the consequences of its original innovation, denominational colleges affiliated with a secular university, the former having a monopoly on teaching and the latter on examinations and degrees. In the meantime, the Baptists had obtained the incorporation of Brandon College in 1900, located 140 miles from Winnipeg but nonetheless subject to the university's examinations.

The central problem with the Manitoba scheme was that the colleges could not individually afford to enter the important new area of science, while the university had neither the authority nor the resources to do so. The provincial government amended the university charter in 1891 authorizing the university to teach, but insisted that any university professors be appointed by the government. This the university council, representing the colleges, rejected. A partial solution was presented in 1904, when Lord Strathcona provided $5,000 per year for five years, and five professors were appointed to a new university faculty of science.

A royal commission was appointed in 1907, but when it completed its work in 1910 it submitted no fewer than three reports, all by minorities of the seven-member commission. One group wanted the existing arrangement continued, another proposed that a government-appointed board be given final authority in the university, and the third wanted a fully provincial university without so much as college representation on the senate.[75] In the event, the government and the university council were unable to reach agreement on any reorganization, and the problems continued. Brandon College, meanwhile, obtained affiliation with McMaster in Toronto, thereby challenging the government's commitment to a single provincial university (Brandon had twice been denied its own degree-granting powers).[76] The government did at least make funds available for the appointment of a president of the University of Manitoba. At the same time it severed the affiliation of the agricultural college, established in 1903.

Agricultural education was beginning to attract the interest of the federal government as well. Possessing at least shared constitutional jurisdiction, and responding to considerable pressure to enter the whole field of technical and vocational education, the federal government, with the support of all nine provincial governments, appointed a royal commission on industrial training and technical education in 1910.[77] But even before that commission could report in 1913, the federal government initiated, under the 1912 Agricultural Aid Act and its successor the 1913 Agricultural Instruction Act, its first ever shared-cost program, making available to the provinces an amount of $10 million, to be allocated on a per capita basis, and to be used for the support of instruction in agriculture.[78]

Canada's universities were gradually evolving toward mature institutional stature. Not surprisingly, therefore, a group of university leaders, and particularly William Peterson, principal of McGill, took advantage of their involvement in preparations for the first congress of Commonwealth universities to form a Canadian association, the National Conference of Canadian Universities (NCCU), established in 1911. Including both senior administrators and faculty members, the NCCU was more a forum for sharing information than a vehicle for formulating common policies. As one student of the organization observed after it had been in existence for two decades:

> . . . the Conference continued to engage in . . . long and tortuous debates on educational policies which always began with the implied assumption that there would eventually be agreement on a uniform policy and invariably ended with a decision that each province must be permitted to go its own merry way . . . .[79]

Although representatives of the University of British Columbia were invited to the first conference of the NCCU in 1911, that university existed only on legislative paper. The first act to establish a provincial university in British Columbia had been passed as early as 1890. That university was to be governed by a senate (originally called a council) which would be elected by convocation. A senate was duly elected in 1891, but it collapsed under the weight of controversy over the choice of Vancouver or Victoria as the site of the campus.

The next step was unique in Canadian experience. In 1896 the Vancouver School Board applied to McGill University for recognition of work at the first-year university level. This was granted, and in 1899 six students began their university studies in the Vancouver

High School. In 1902 second-year classes were added and, in the same year, the Victoria School Board was also recognized by McGill. In 1905, Dr. Henry Marshall Tory, a young mathematics professor at McGill, was sent to British Columbia by the principal, William Peterson, to examine the prospects of creating full-fledged colleges of McGill in British Columbia. McGill's ambitions were nothing if not sweeping. In a formal statement explaining their plans, Peterson and Tory boasted:

> To those who have looked into educational conditions, and who sometimes have reason to regret provincial divisions and rivalries, it will be obvious that the scheme is full of promise for the future. A University organized with constituent colleges has an opportunity of unifying and consolidating higher education throughout the Dominion . . . .[80]

Within a year, and backed by $50,000 from the Carnegie Foundation, as well as a promise of $5,000 a year for three years from Sir William Macdonald of Montreal and $3,400 in local subscriptions,[81] Tory had obtained from the British Columbia legislature the incorporation of The Royal Institution for the Advancement of Learning, as the governing board of McGill University College of British Columbia. Victoria's college entered the arrangement in 1907, and by 1915 a full three-year arts program, as well as two years of applied science, was being offered to 290 students in Vancouver and 70 in Victoria.[82]

Meanwhile, efforts to establish a provincial university were renewed. In 1907 a major endowment of land was set aside and a new charter was enacted in 1908, the same year in which Tory left to begin building his second university as president of the new University of Alberta. This time the bicameral structure of the University of Toronto was incorporated, with a board of governors as well as a senate and convocation. The delicate issue of the site was finally resolved in 1910 when a commission, whose members were drawn from Dalhousie, the University of New Brunswick, Laval, Queen's and Saskatchewan, recommended Point Grey, just west of Vancouver. A board of governors and president were finally appointed in 1913, with provision for three faculties: arts, applied science, and agriculture. However, war intervened before even the first building was completed. The University of British Columbia (UBC) finally took over from McGill in 1915, inheriting the latter's downtown "campus," known familiarly as the Fairview Shacks. The government refused to provide funds for relocation to the new Point Grey site. The college in Victoria, meanwhile, was closed, also for lack of funds (it would reopen as a junior affiliate of UBC in 1920).

The First World War and Research

The First World War postponed almost all further development in higher education save for the short-lived "Khaki University," yet another of Dr. Tory's inspirations. The war did, however, give rise to the entry of the federal government into the closely related field of research. In 1916 the Honorary Advisory Council for Scientific and Industrial Research was established, soon to be known as the National Research Council (NRC). The council's immediate concern was industrial research and development, but it moved quickly to provide scholarships and grants for pure research in universities as well. This raised the inevitable question of whether that support should be concentrated in a few highly developed centres, which would have meant only McGill and Toronto, or distributed among the several universities and colleges. As the first chairperson of the council observed:

> That such aid should be given only to a few which would observe strictly imposed conditions would work in theory, but in practice it would be quickly found impossible to exact these conditions and very shortly all would receive grants, corresponding in each case to the influence each could bring to bear on the political elements in the Dominion.[83]

Not surprisingly, the council determined early on that in addition to support of individual scholars, it would need its own laboratories. That objective, however, was not achieved until 1930.

The Prosperity of the 1920s

With the conclusion of the war, Canada's universities entered a period of considerable growth and relative prosperity. During the decade of the 1920s, total enrolment increased by almost half, from 23,000 to 33,000.[84] Revenues increased even faster, from $9 million in 1920 to $14.5 million 10 years later.[85] And for the first time, graduate study became a significant activity within the research-oriented universities, primarily Toronto. Whereas at the end of the war, "fewer than a dozen Ph.D. degrees in pure science had ever been granted in

Canada,"[86] in 1920 alone, 24 were awarded, a number that would rise to 46 by 1930.[87]

A number of institutional projects were also completed, or at least further advanced in this postwar period. Montreal finally obtained its own French-language university, when the satellite campus of Laval became the autonomous Université de Montréal in 1920. The new university acquired a complex and unwieldy governing structure. A "Conseil de vigilance," comprising the archbishop and bishops of the archdiocese, had complete authority with respect to "the integrity of doctrine and purity of morals in the university."[88] Then, in addition to a senate, the university had two other governing bodies: a university council, with administrative and academic sub-committees, and a separate executive committee. It also had a chancellor (the archbishop, *ex officio*), a president (essentially an honorary position), and a rector (the effective senior executive officer).[89]

Montreal continued Laval's practice of integrating affiliated classical colleges, so that the system remained coordinated, if with two centres now instead of only one (the number of colleges, meanwhile, had more than doubled to 33).[90] Collège Sainte-Marie, and its English-language offshoot Loyola College, retained their autonomous status, but now in relation to the Université de Montréal instead of Laval.

A new secondary school program made its appearance in Quebec in the 1920s. This was the "cours primaire supérieure," offered in the Catholic public schools. It was somewhat comparable to the English high school program, but was not based on the classics and did not lead to admission to either Laval or Montréal.[91] That route continued to be monopolized by the classical colleges which, in 1922, became eligible for annual provincial grants of $10,000 each.

In Ontario, the pressing financial needs of the three non-denominational universities led to the appointment of a royal commission on university finances in 1921.[92] The report of this commission picked up where Flavelle had left off, reconfirming many of the basic principles underlying the earlier report, and arguing for the provision of resources adequate to the needs of the provincial system. For Toronto, the commission urged that the original plan of securing half the proceeds of succession duties, which had been limited to a maximum of $500,000 in 1914, be reinstated, increasing the provincial grant by almost $800,000 or 84 per cent (this recommendation was rejected; instead, the government increased its grants on an annual and discretionary basis). For Queen's, which had begun receiving provincial support directly in 1914, a near doubling of support to $300,000 was proposed. And for Western, supported by the city ($55,000 annually) as well as by the province ($84,000), the commission recommended tripling provincial support to $250,000. The government, however, first ignored and subsequently shelved the report.[93]

In recognition of its growing regional stature, Western university's name was changed to the University of Western Ontario in 1923. Its regional significance was further marked by the affiliation of two smaller colleges, Assumption in Windsor in 1919, and Waterloo College in 1925 (Waterloo had been established the previous year by the Lutheran Church to add work in arts to its Evangelical Lutheran Seminary, founded in 1911).

There was a growing confidence, born of maturity, in many of Canada's universities in the 1920s. Enrolment at Toronto passed the 5,000 mark, while most universities made considerable progress in improving faculty salaries. With this emergent maturity came the issue of academic freedom and, more particularly, the limits of that freedom in a public university. In an open address delivered in 1922, Sir Robert Falconer, president of the University of Toronto, gave what was then considered the definitive statement on academic freedom. The university, Falconer asserted, existed to seek and impart the truth. This was possible only if individual faculty members were both free and secure: "... we can measure the rank and stability of a university by the security given to a professor to pursue and expand his investigations without being compelled to justify himself to those who differ from him."[94]

Academic freedom, however, was a property of the university, and did not extend to wider political activity. The professor was obliged, Falconer continued, to abstain from partisan political activity or comment, at the risk of destroying the very moral authority and public support upon which his academic freedom depended.

The establishment of the University of Manitoba as a full-fledged provincial university made further progress during the decade. Legislation in 1917 had incorporated the principle of bicameralism, again taken directly from the University of Toronto, with the colleges represented on the academic council (the equivalent of the senate), but with financial and final legal authority now vested in a board of governors, appointed by the government. Provincial funding increased dramatically, from $20,000 in 1908 to $174,000 in 1919, and $372,000 in 1921. The university still had no campus, however. The several faculties and colleges were located in widely separated facilities in downtown Winnipeg, while the College of Agriculture was operating in splendid isolation on its own very impressive campus in Fort Garry. This situation prompted a 1923 royal commission, chaired by President Walter Murray of the University of Saskatchewan, to observe: "It would be difficult to scatter the work of a university more effectively over a large city, if the object were to disintegrate and destroy the sense of unity and prevent efficient and close co-operation."[95]

This same commission, based on the conclusions of a study undertaken for it by Dr. W.S. Learned of the Carnegie Foundation for the Advancement of Teaching, proposed that the university and agricultural college be merged and the university relocated to the Fort Garry site. In 1929 a legislative committee recommended at least partial implementation of that proposal, suggesting that the two senior years of university work be moved to Fort Garry, the junior years remaining with the colleges, downtown.[96]

The Carnegie Foundation played a critical role in the development of Canadian universities throughout the 1920s and 1930s. Shortly after its incorporation in 1906 it had launched a pension plan for ". . . the teachers of Universities, Colleges, and Technical Schools in our country, Canada and Newfoundland . . . ."[97] Dalhousie and McGill were charter members of the Carnegie pension plan. Toronto joined in 1909, and Queen's in 1920. Over the course of the 1920s, all four of the western provincial universities were admitted, British Columbia in 1924, Alberta in 1927, Manitoba in 1928, and Saskatchewan in 1929. In addition, the study done for the Manitoba royal commission by Dr. Learned, assistant to the president of the foundation, was but one of three major investigations with which he was associated. The second was undertaken in the early 1920s with Dr. K.C.M. Sills, president of Bowdoin College in Maine. It recommended a quite remarkable consolidation of higher education in the Maritime provinces.[98]

Learned and Sills examined most of the institutions in the three provinces, including some elementary and secondary schools. They found much to praise in the quality of faculty, students, and management in the established colleges: Acadia, Dalhousie, King's, St. Francis Xavier, Mount Allison and New Brunswick (and also the Nova Scotia Technical College, established in 1908 as a government-operated institution providing the senior years of engineering). They were less impressed, however, with their libraries, and especially their scientific equipment and laboratories. The smaller colleges, of which there were a goodly number (Prince of Wales and St. Dunstan's in Prince Edward Island, Saint-Joseph, Sacré Coeur, and St. Thomas in New Brunswick, and Sainte-Anne, Mount St. Vincent and Saint Mary's in Nova Scotia), were described as essentially secondary schools or, as in the case of Saint Mary's in Halifax (which had been revived in 1903), a "boys' school of not more than junior college grade."[99]

The problem, they concluded, was not the quality of people or effort. The problem was the dissipation of that effort over so many small institutions. Thus:

> Had Lord Dalhousie's intention been realized and the educational efforts of Nova Scotia, not to mention the other provinces, been concentrated at Halifax, a Scotian Harvard might have arisen that to-day would be drawing students from Winnipeg and Vancouver.[100]

It was precisely this concentration that the report recommended. In fact, it was explicitly the model of the University of Toronto that was envisaged, with denominational colleges (the Catholics consolidating their efforts within St. Francis Xavier) grouped around a secular university with the suggested name of the University of the Maritime Provinces, and with a combined enrolment of some 1,600 students (at the time, Dalhousie was the largest, with just over 700 students, Acadia had just over 300, Mount Allison and St. Francis Xavier about 200, and UNB approximately 150; the others were all very small). The estimated increase in endowment necessary to carry the costs of relocation, expansion, and improved faculty salaries, was placed at $4.5 million. The Carnegie Corporation offered to contribute $3 million of that amount.

The Carnegie proposal very nearly succeeded. The presidents of the several institutions met in Halifax during 1922 and agreed on a draft plan to be submitted to their respective governing bodies. Then the difficulties began. Both UNB and the government of New Brunswick quickly rejected the idea of giving up university work in the province.[101] Acadia's board and the Baptist Convention opposed the scheme on the grounds that what was really being proposed was absorption by Dalhousie.[102] Even though the president and faculty of St. Francis Xavier had unanimously approved the plan, the bishop opposed it and the board sided with him. Saint Mary's staff also approved, but in this case authorities in Rome stalled so long that by the time approval was granted the opportunity had been lost.[103] Mount Allison might well have persisted, had not negotiations respecting church union (the formation of the United Church of Canada in 1925 from the Methodist, Presbyterian and Congregational denominations) forced a delay. The new church subsequently decided to concentrate theology in Halifax, but to maintain Mount Allison in Sackville as a small liberal arts college and to support the consolidation of professional and graduate studies at Dalhousie.[104] In the end it was only King's, the very cause of the original division, which accepted the Carnegie offer and entered into affiliation with its old nemesis, Dalhousie. King's motives were simple: the main college building in Windsor had burned to the ground in 1920, and the Carnegie plan promised funds for rebuilding in Halifax. The new arrangement was indeed a fruitful one; King's and Dalhousie shared approximately $1 million in grants from the Carnegie Corporation.

Carnegie funds also assisted in the establishment of another college that would eventually become Canadian. In 1925 Memorial University College was established in St. John's, Nfld. It was Newfoundland's principal memorial to the First World War, and offered the first two years of university work.[105]

In the same year as the Carnegie proposal for the Maritimes, but on the opposite coast, the University of British Columbia was finally given enough capital funding by the province to permit its relocation to the Point Grey campus. This was mostly the result of students taking the matter into their own hands, presenting the government with a petition containing 17,000 signatures, and staging a dramatic mass trek to the vacant campus.

McMaster University, on the other hand, spent the better part of the decade of the 1920s embroiled in doctrinal controversy, while debating the relocation of the campus, including whether to stay in Toronto or move to Hamilton. By 1927, the decision had been made in favour of Hamilton, and by 1930 the move was complete. McMaster thus had the misfortune of entering a period of anticipated growth just as Canada and the world were plunged into economic depression.

The Depression

The Great Depression of the 1930s was certainly a difficult period for Canada's universities, although the consequences for most were felt in retrenchment and the postponement of capital, including even maintenance expenditures. If few universities were able to expand, it is at least as significant that none was closed. Provincial government support was reduced, sometimes dramatically. Faculty salaries were reduced as well, but generally not as fast as the cost of living. There were staff reductions to be sure, but in almost all cases these were effected by not renewing term appointments of junior staff, or persuading tenured faculty (usually unmarried ones) to accept unpaid leaves of absence.

One institution that actually expanded during the Depression was Sir George Williams College, named for the founder of the "Y" movement and organized by the Montreal YMCA, without provincial sanction, in 1926. Sir George Williams initially limited its work to adult and high school programs, but in 1929 it began first-year university work and, in 1931 it added the second year, effectively becoming a private junior college. Without further legislative authority than was granted in the original incorporation of the Montreal YMCA itself, Sir George Williams moved to full degree status in 1935, conferring its first degrees a year later. It would finally receive a provincial charter, still as Sir George Williams College, in 1948.[106]

Several universities did suffer particularly difficult times during the 1930s. At the University of British Columbia, for example, the minister of education began taking a direct interest in university affairs, regularly attending board meetings, criticizing the emphasis placed on research and, finally, announcing in senate in 1931 that the government had decided to limit enrolment and reduce the university's grant.[107] After much internal conflict, including a vote of no-confidence by the senate in the president, a one-person commission recommended a restructuring of the university, replacing the current members of the board and providing for the election of three board members by senate.

As if that were not enough, a group of businessmen undertook a government-sponsored study of the province's finances, with a view to making major expenditure cuts. One of the recommendations of their 1932 report was that the university grant, already reduced by $100,000 from the level requested, be eliminated altogether. If the university were unable to operate without government support, the committee suggested that: ". . . the question will have to be considered whether it may not be in the best interests of higher education to close the University and rely on . . . scholarships to furnish the means of attending a University elsewhere in the Dominion."[108]

Fortunately for UBC, the government rejected this recommendation. Unfortunately, it cut the university's grant for 1932-33 in half, to $250,000.

In Saskatchewan, the rivalry between Saskatoon and Regina continued. Regina College, now under the United Church, had tried to copy Brandon's end-run manoeuvre, in this case through affiliation with Victoria in Toronto. The wily president of Saskatchewan, Walter Murray, blocked that by appealing to his fellow Maritimer and the president of the University of Toronto, Sir Robert Falconer.[109] The election of a Conservative government in 1929 opened the possibility once again of degree status for Regina. This time, Murray countered by prevailing once again upon the Carnegie Foundation, of which he was now a trustee, to undertake a study of the issue. For this, Dr. Learned teamed up with E.W. Wallace, Chancellor of Victoria, and submitted a report in 1932. The report forcefully rejected the idea of university status for Regina, offering instead the idea of a community college or institute that ". . . should foster every form of general education suitable to youth or adult, as well as . . . vocational training."[110] It was a remarkably perceptive recommendation, anticipating developments that lay a quarter of a century or more in the future. It did not, however, accord with Regina's aspirations.[111]

Strapped for funds and losing enrolment, Regina accepted Murray's offer and merged with the provincial university. With additional support from Carnegie, the University of Saskatchewan acquired the Regina College property from the United Church in 1934, becoming in the process a two-campus institution.

In Manitoba, the Baptists were also forced to give up Brandon. In this case, however, the college was reorganized in 1939 as a private corporation, with municipal support, and affiliated once again with the University of Manitoba. The United Church's two colleges in Winnipeg, respective bequests of the Presbyterians and Methodists, were formally merged in 1938 to form United College, still affiliated with the University of Manitoba.

The University of Manitoba, meanwhile, had suffered a particularly cruel blow when it was discovered, in 1932, that the chairman of the board, and sole trustee of the university's funds, had lost the entire endowment through mismanagement. A royal commission was appointed, and all staff were notified of the termination of their appointments, subject to the re-employment of as many as could be afforded (nearly all were rehired).[112] The university act was also amended to increase the size of the board, now to include the president, to appoint a comptroller responsible directly to the board, and to replace the council with a senate, now containing a university majority, albeit mostly academic administrators.

The young Université de Montréal was placed in virtual trusteeship in 1937 when the Quebec government appointed the Société d'Administration to oversee the entire operations of the university. Just over a decade later, a successful fund-raising campaign and a new charter would put Montréal on a sound foundation.[113]

Quebec's public school "cours primaire supérieure," introduced in the 1920s, was extended in the 1930s to include a twelfth or "scientific" year. That led directly to the demise of the classical college monopoly on university entrance when, in 1939, the Université de Montréal accepted students into engineering without the baccalaureate. This option was later extended to other science-related programs, and to commerce. About the same time, the eight-year classical program, always having been considered to constitute a secondary education in the European tradition, was giving way to North American nomenclature. The first four-year cycle was increasingly coming to be considered as secondary, and the second cycle as postsecondary or collegiate. The provincial government, meanwhile, introduced legislation in 1939 to provide general operating support to the universities under a program that was initially designed to last for 10 years.

Economic depression provided the context for a test of the limits of Sir Robert Falconer's notion of academic freedom. One of the key players in this was Frank Underhill, professor of history at the University of Toronto, and founding president of the left-wing League for Social Reconstruction. Underhill's problems began in earnest in 1931 when he and 67 other academics signed an open letter protesting police action in breaking up allegedly pro-communist demonstrations.[114] Reprimanded by President Falconer, Underhill was undaunted. By 1939, on the eve of the Second World War, he had earned the combined wrath of the Ontario legislature and the university board of governors, with remarks questioning Canada's interest in imperial defence. The board tried to have him fired, but was restrained by the prerogative of the president (now Canon H.J. Cody) in matters of academic staffing. When the president was finally convinced that Underhill had to go, he was confronted by a solid wall of professorial resistance. There was even pressure from federal officials and, in the end, Cody was forced to withdraw his recommendation that Underhill be dismissed.[115] Academic freedom, it seemed, just might extend to political comment after all, but this was itself the result of political pressure and not university policy.

The Depression also produced the very important (Rowell-Sirois) Royal Commission on Dominion-Provincial Relations. Its report, highly critical of shared-cost or conditional grant programs in general, nonetheless countenanced the possibility of federal support for universities: "Even the provinces might welcome a small Dominion grant to their universities made contingent on the maintenance over a period of some years of the provincial grants to the same institutions and on the preservation of high academic standards."[116]

Recognizing their own "close connections with Canadian universities," however, the commissioners refrained from actually proposing federal grants.

Ironically, while the commission was still deliberating, the federal government introduced the Youth Training Act in 1939. It provided for conditional grants to the provinces in support of student assistance, and within the year agreements were signed with five provinces under the Dominion-Provincial Student Aid Program (the five provinces were British Columbia, Alberta, Saskatchewan, Manitoba, and Prince Edward Island; Quebec joined in 1940, New Brunswick and Nova Scotia in 1942, Ontario in 1944, and Newfoundland in 1949 when it entered Confederation). The program supported a variety of provincial student aid arrangements, including grants, loans, or both.[117]

By the time the Rowell-Sirois report itself was released, Canada was again at war.

The Second World War

The war was to have profound effects on Canada's universities. During its early stages, however, an event that was unconnected with its progress occurred in Alberta which indelibly marked the structure of its provincial university. In 1941, following normal practice and with the endorsement of a senate committee, President W.A.R. Kerr invited Premier William Aberhart to accept an honorary degree, which he did. But when the recommendation was presented to the full senate for formal approval at its next meeting, nearly three months later and literally on the eve of convocation, it was defeated. The president and chairman of the board thereupon resigned (the latter was subsequently persuaded to stay on), and the premier appointed a committee to review the university's governing structure.

That committee, known as the University of Alberta Survey Committee, was quite blunt in asserting the propriety of government involvement in the organization and operation of the university.

> The governing bodies of the institution and the teaching staff should appreciate that the people of the Province are vitally interested in the work of the University—they supply a substantial part of the funds and have the right to scrutinize the actions of the governing bodies and the efficiency of the teaching staff.[118]

And with that, the committee proceeded to recommend, and the government subsequently to implement, a consolidation of governing authority under the board of governors, with "all matters of a purely academic nature . . . assigned either to Faculty Councils or to the Deans' Council . . . ."[119] As for the senate, it would be reduced in size from 54 to 25 to serve primarily as, ". . . a bridge or link between the life and activities of the Province and those of the University. For that reason its members should include representatives of various elements of society within the Province . . . ."[120]

Recommendations for the awarding of earned degrees would now come from the general faculty council. The reconstituted Senate would approve the awarding of future honorary degrees.

The survey committee also proposed that a satellite campus be established in Calgary. This was actually accomplished in 1945 when the two provincial normal schools, one in Edmonton and one in Calgary, were merged with the university.

A rather novel approach to the founding of a university began in 1942 with the formation of the Ottawa Association for the Advancement of Learning. One of the leaders was Henry Marshall Tory, now retired as president of the NRC and something of a latter-day John Strachan, embarking on the establishment of his third university, after UBC and Alberta (his fourth if the First World War's Khaki University is included). The legacy of McGill was clearly evident in the name of the association. The group did not move immediately to seek a provincial charter, however. Rather, they incorporated their

Carleton College under the Ontario Companies Act, thereby establishing that province's first private, non-denominational college.

Carleton College initially offered part-time instruction only, directed primarily to service personnel and civil servants and taught mostly by senior government officials. Full-time instruction was initiated in 1947, and two years later the college began receiving annual provincial operating grants (initially $65,000). Coincidentally, another Ottawa institution, the faculty of medicine of the University of Ottawa, but not the church-controlled university itself, began receiving provincial support of $100,000 annually in the same year. Carleton, meanwhile, received full legal sanction in 1952 with the passage by the Ontario legislature of the Carleton College Act.[121]

The most direct impact of the war on universities was undoubtedly in the control of enrolment under the selective service regime. The new importance of science was recognized in the quite different treatment accorded arts and science students. Indeed, in 1942, the presidents of Queen's and McGill proposed that all teaching in arts, commerce, law and education be suspended for the duration of the war.[122] A number of scholars in the social sciences and humanities objected strongly,[123] and a special meeting of the NCCU in January 1943 rejected the proposal. In the event, all science students as well as those in a variety of professional programs were deemed to be "... contributing to the prosecution of the war," and consequently were exempt from active military service. Arts students, on the other hand, were exempt only if their marks placed them in the top half of their class.[124]

Negotiations respecting the selective service regulations and their administration gave the NCCU an entirely new lease on life, and it became the acknowledged vehicle for communication between the universities and the federal government. Because of this close relationship, it is perhaps not surprising that as the war drew to a close, the NCCU and the federal government agreed on a plan to provide for the university education of returning veterans. Under the resultant Veterans Rehabilitation Act, the government paid not only the tuition fees of qualifying veterans, but also an additional $150 per veteran to the university concerned. The results were little short of staggering. In 1945-46, over 20,000 demobilized servicemen invaded the campuses, increasing the total enrolment by 46 per cent in one year. The number peaked at 35,000 the next year, representing fully 44 per cent of all university students that year.

Postwar Pressures

Canada's universities went to enormous lengths to accommodate these additional students. Had the veterans' bulge simply passed through the system, the problems and adjustments would have been short-lived. But what the veterans' bulge masked was a major increase in civilian enrolment, which showed every sign of increasing. Discounting the veterans, university enrolment in Canada increased from 36,400 in 1941-42 to 61,600 in 1951-52, an increase of almost 70 per cent in 10 years.

At the same time, Canada's universities were facing renewed financial pressure just as federal grants in support of veterans were diminishing. One approach was obviously to turn to provincial governments. In Ontario, at least, this required circumventing the denominational barrier. McMaster, following the earlier lead of Queen's and its Kingston school of mining, established Hamilton College in 1948, incorporated under the Companies Act and created specifically to undertake teaching and research in the scientific disciplines, with government support. In this, Hamilton College was immediately successful, receiving an initial provincial operating grant of $100,000 for 1949-50 as well as $250,000 for capital purposes, and another $100,000 in operating support before the year was out.[125]

The federal government had also increased its involvement in science and research significantly during the war. One consequence was the spin-off of mission-oriented research agencies from the parent National Research Council. The first of these was the Defence Research Board (DRB), established in 1947. The second was Atomic Energy of Canada Ltd. (AECL), formed from the atomic energy division of NRC.[126]

In 1949 Newfoundland joined the Canadian federation, and with Newfoundland came Memorial College in St. John's. One of the first legislative acts of the new province elevated Memorial to full university status, with a bicameral government consisting of a board of regents and senate. It also established Memorial's monopoly over university work in the province. Memorial's increased status was not immediately reflected in its size, however. Enrolment was only 400 in 1950 and had just passed 500 by 1955. By then it was manifestly clear that further growth would require relocating from the small downtown facility.

In Quebec, the limited capacities of both Laval and Montréal, as well as changes in linguistic settlement patterns, created the backdrop for the campaign to establish a French-language university in Sherbrooke to serve what had become a predominantly francophone population in the eastern townships, or l'Estrie. The first attempt began in the early 1940s under the then bishop, Msgr. Phillippe Desranleau. His idea was certainly bold: the Jesuits should purchase the financially troubled Bishop's University in nearby Lennoxville, thereby acquiring a royal charter to augment the pontifical charter of the Collège Sainte-Marie in Montreal.[127] For a brief period after the war, when the fate of Bishop's appeared to be particularly uncertain, this scheme looked as though it might actually succeed. Ultimately, however, the Jesuits withdrew to pursue their own ambitions, Bishop's determined to chart a non-denominational but anglophone course, and Msgr. Desranleau was killed in a car accident in 1952.

His successor, Msgr. Georges Cabana, took a different and more successful tack. Through quiet, indeed often secret diplomacy he secured the support of Premier Duplessis and the provincial legislative assembly. The model he pursued was that of Laval a century earlier, and in 1954 he obtained a provincial university charter for the Séminaire Saint-Charles Borromée, which became the Université de Sherbrooke. The charter established a pattern of government based on both Laval and Montréal. The archbishop was named chancellor and he, in turn, named the other members of the corporation. As with Laval, the council of the seminary, all priests, became the first council of the university, while administrative matters were assigned to an executive council consisting of the rector, vice-rectors and other senior officials, again all priests.[128]

While provincial governments were thus showing signs of renewed interest in both universities and other forms of advanced training, the legacy of the NCCU's special relationship with the federal government that had been forged during the war, led many university leaders, at least in English-speaking Canada, to see part of the solution to their problems in the continuation of federal financial support. A vehicle for advocating such a policy was conveniently provided by the (Massey) Royal Commission on National Development in the Arts, Letters and Sciences, established in 1949.

The NCCU created its powerful finance committee in the same year. Composed entirely of university presidents and chaired by Cyril James of McGill, this committee met periodically with the prime minister to press its case for federal support. Significantly, one proposal which seemed to elicit a sympathetic response was that the NRC should fund the indirect as well as the direct costs of university-based research. No action to implement this proposal was forthcoming, however. In 1951, the committee hired a public relations firm to develop a publicity campaign, timed to reach its climax with the release of the Massey commission report.[129]

Massey and his colleagues, every bit as firmly associated with universities as the Rowell-Sirois commissioners had been,[130] argued that "the universities are provincial institutions; but they are much more than that. They also serve the national cause in so many ways, direct and indirect, that theirs must be regarded as the finest of contributions to national strength and unity."[131]

And with that, the commission recommended: "That . . . the Federal Government make annual contributions to support the work of the universities on the basis of the population of each of the provinces of Canada."[132]

The government accepted this advice almost immediately, apparently encouraged to do so by J.W. Pickersgill, the prime minister's principal secretary.[133] On June 19, 1951, less than three weeks after the report was tabled, Prime Minister St. Laurent announced in the House of Commons, amidst indications of support from all parties, that the federal government would, for 1951-52, provide an amount of $7.1 million in grants to universities. The amount allocated was equal to 50 cents per capita, and would be divided into provincial entitlements on the basis of population. It would then be paid directly to universities and colleges in proportion to their share of enrolment in each province.

Opposition to the federal grants was quickly voiced in Quebec,[134] although the rectors of Montreal and Laval agreed to accept the grants if the government of Quebec did not object. Within the year Premier Duplessis did object, and before a second round of grants could be distributed Quebec's universities were advised to refuse them, which they did. Increased provincial grants made up at least the major part of the foregone revenues.[135] Two years later, in 1954, Quebec also withdrew from the Dominion-Provincial Student Aid Program.

It was not only in Quebec, however, that federal grants conflicted with provincial policy. These grants were paid to all colleges and universities, regardless of denominational status. As a result, Ontario's policy of refusing public support to church-related institutions was openly breached.[136]

In announcing the federal grants, the prime minister had been quite explicit about their intended purpose:

> These federal grants are designed . . . to assist the universities to maintain the highly qualified staffs and the working conditions which are essential for the proper performance of their functions—in other words, to maintain quality rather than to increase existing facilities.[137]

This was good news to Canada's university professors, whose salaries had been reduced during the Depression, frozen during the war, and were losing ground again in the face of postwar inflation. A few local faculty associations had already been formed, but it was a telling coincidence that the organizing meeting of a national body, the Canadian Association of University Teachers (CAUT), was held in the very month that the federal grants were announced. The CAUT was not initially seen as antagonistic to university presidents or governors. Indeed:

> With academic administrators speaking out on behalf of professors and receiving votes of confidence from their faculty in return, CAUT organizers were not inclined to portray the proposed association as a militant organization bent on 'undermining established academic authority.' Instead, they made every effort to introduce the CAUT as a moderate, responsible enterprise.[138]

With remarkable internal unity, Canada's university presidents set about to build public support for university expansion. The NCCU, through its newly formed publicity committee, began preparing for a major conference to take place in 1956 and to involve leaders not only of universities but also of government and industry. The title of that conference, appropriately enough, was to be "Canada's Crisis in Higher Education."

Notes

1. E.F. Sheffield, "Canadian University and College Enrolment Projected to 1965," in National Conference of Canadian Universities, *Proceedings*, 1955, pp. 39-46.
2. For a comprehensive history, see Robin S. Harris, *A History of Higher Education in Canada, 1663-1960*. Toronto: University of Toronto Press, 1976.

3. Louis-Philippe Audet, *Histoire de l'Enseignement au Québec*. Montréal: Holt, Rinehart & Winston, 1971, vol. 1, p. 185.

4. Ibid., p. 186.

5. Cited in F.W. Vroom, *King's College: A Chronicle, 1789-1939*. Halifax: The Imperial Publishing Company, 1941, p. 21.

6. The office of visitor was a long-established feature of English universities, and represented the authority and ultimate control of the incorporating body, either church or state.

7. Apparently the governors managed to suppress this modification for some five years, by the simple device of not printing the revised regulations. See H.Y. Hind, *The University of King's College, Windsor, Nova Scotia, 1790-1890*. New York: The Church Review Company, 1890, p. 49.

8. Vroom, *King's College, A Chronicle*, p. 41.

9. Hind, *The University of King's College*, p. 46.

10. Cited in D.C. Harvey, *An Introduction to the History of Dalhousie*. Halifax: McCurdy, 1938, p. 19.

11. See, for example, John Kerr, *Scottish Education: School and University*. Cambridge: Cambridge University Press, 1910.

12. A.G. Bailey, ed., *The University of New Brunswick*. Fredericton: The University of New Brunswick, 1950, pp. 15-18.

13. See Hugh MacLennan, ed., *McGill: The Story of a University*. Toronto: Thomas Nelson & Sons, 1960, pp. 39-44.

14. S.B. Frost, *McGill University: For the Advancement of Learning*. Montreal: McGill-Queen's University Press, vol. 1, 1980, p. 76.

15. Claude Galarneau, *Les Collèges Classiques au Canada Français*. Montréal: Éditions Fides, 1978, pp. 18-30.

16. James Angrave argues that King's was actually organized around the Scottish rather than the English model, and that the council was, in fact, the senior governing body and was taken directly from the Scottish *senatus academicus*. See James Angrave, "John Strachan and Scottish Influence in the Charter of King's College, York, 1827." *Journal of Canadian Studies*, vol. xi, no. 3 (August 1976).

17. G.G. McNab, *The Development of Higher Education in Ontario*. Toronto: Ryerson, 1925, pp. 44-5.

18. William S. Wallace, *A History of the University of Toronto, 1827-1927*. Toronto: University of Toronto Press, 1927, pp. 1-32.

19. C.B. Sissons, *A History of Victoria University*. Toronto: University of Toronto Press, 1952, p. 18.

20. D.C. Masters, *Protestant Church Colleges in Canada: A History*. Toronto: University of Toronto Press, 1966, p. 34.

21. D.D. Calvin, *Queen's University at Kingston*. Kingston: The Trustees of the University, 1941, p. 32.

22. Marjory Whitelaw, *Thomas McCulloch, His Life and Times*. Halifax: Nova Scotia Museum, 1985.

23. See R.S. Longley, *Acadia University, 1838-1938*. Wolfville: Kentville Publishing Co., 1939.

24. Lawrence K. Shook, *Catholic Post-Secondary Education in English-Speaking Canada: A History*. Toronto: University of Toronto Press, 1971, p. 58.

25. G.T. Rimmington, "The Founding of Universities in Nova Scotia", *The Dalhousie Review*, vol. 46, no. 3, Autumn 1966, p. 329.

26. See John G. Reid, *Mount Allison University: A History, to 1963*. Toronto: University of Toronto Press, 1984, vol. 1.

27. Negley Harte, *The University of London, 1836-1986*. London: The Athlone Press, 1986, p. 73.

28. Calvin, *Queen's Univ.*, p. 58.

29. Cited in Camille Roy, *L'Université Laval et les Fêtes du Cinquantenaire*. Québec: Comité Executif D'Organization des Fêtes Jubilaires, 1903, p. 18.

30. Jean-Marie Martin, *The Role of the University in Quebec*. J.J. Morrison Memorial Lecture, Ontario Agricultural College, Guelph, Ontario, November 6, 1958.

31. Galarneau, *Les Collèges Classiques*, pp. 43-4.

32. Frost, *McGill University*, p. 173.

33. MacLennan, *McGill*, p. 68.

34. Hind, *The University of King's College*, pp. 95-103.

35. Bailey, *The University of New Brunswick*, p.28.

36. Wallace, *History of the University of Toronto*, pp. 78-85.

37. Harvey, *History of Dalhousie*, pp. 74-7.

38. Harris, *History of Higher Education*, p. 104.

39. An Act for the regulation and support of Dalhousie College, 26 Victoria, Chapter 24, section 7.

40. Honorius Provost, *Historique de la Faculté des Arts de l'Université Laval, 1852-1952*. Québec: Université Laval, 1952, pp. 10-14.

41. Masters, *Protestant Church Colleges*, p. 29.

42. Shook, *Catholic Post-Secondary Education*, p. 280.

43. W.E.L. Smith, *Albert College, 1857-1957*. Belleville: Albert College, 1957.

44. James J. Talman, *Huron College, 1863-1963*. London: Huron College, 1963, p. 5.

45. Now the Constitution Act, 1867.

46. Canada, House of Commons, *Debates*, 1874. See also R.A. Preston, *Canada's RMC: A History of the Royal Military College*. Toronto: University of Toronto Press, 1969.

47. Olivier Maurault, *L'Université de Montréal*. Montréal: Les Éditions des Dix, 1952, p. 18.

48. Alison Gillis, *The University of Halifax, 1876-1881*. Unpublished M.A. thesis, Dalhousie University, 1969, p. 51.

49. Denis Healy, "The University of Halifax, 1875-1881," *The Dalhousie Review*, vol. 53, no. 1, Spring 1973, pp. 39-56. Premier Holmes had to introduce a second bill in order to terminate the $2,000 annual grant to the University of Halifax. This bill did pass.

50. Rimmington, *The Founding of Univs.*, p. 329.

51. W.L. Morton, *One University: A History of the University of Manitoba, 1877-1952*. Toronto: McClelland & Stewart, 1957, pp. 24-26.

52. Ibid., p. 18.

53. Manitoba, Royal Commission on the University of Manitoba, *Report*. Winnipeg: King's Printer, 1910, pp. 16-17. It should be noted that the federal government retained control of all public lands after Manitoba was created a province in 1870.

54. Masters, *Protestant Church Colleges*, pp. 95-6.

55. James J. Talman and Ruth D. Talman, *Western, 1878-1953*. London: The University of Western Ontario, 1953, pp. 27-8.

56. See Canada, House of Commons, *Debates*, 3rd Session, 6th Parliament, pp. 602-607.

57. D.C. Masters, *Protestant Church Colleges in Canada*, pp. 96 and 168.

58. Honorius Provost, *Historique de la Faculté des Arts de L'Université Laval*.

59. This legislation removed the religious test for trustees and provided specifically that future trustees need not be Presbyterians. The principal, however, was still to be a Presbyterian clergyman.

60. Hilda Neatby, *Queen's University: Volume I, 1841-1917*. Montreal: McGill-Queen's Press, 1978, pp. 245-67. The legal body controlling Queen's was, in fact, the entire Presbyterian Church. The General Assembly of the Church finally agreed, in 1911, to yield that control. The result was actually two pieces of legislation: one created a new

corporation, "the trustees, professors, graduates and benefactors" of Queen's (benefactors were those who contributed $100 or more); the other created a separate corporation, with its own board, for Queen's Theological College. The first bill, as originally introduced, contained a rather clever provision designed at once to elevate Queen's to national stature and to end the recurrent debate over its anomalous constitutional standing. Seeking to invoke the declarative power of the federal parliament under Section 92(10) of The Constitution Act, 1867, clause 2 of the bill stated, "The university is hereby declared to be a work for the general advantage of Canada." However, Ontario objected to this provision and it was withdrawn in committee. See Canada, House of Commons, *Debates*, 1st Session, 12th Parliament, p. 3875.

61. C.M. Johnston, *McMaster University: Volume 1/The Toronto Years*. Toronto: University of Toronto Press, 1976, p. 49.

62. Harvey, *History of Dalhousie*, p. 101.

63. Frost, *McGill University*, vol. 1, pp. 240-44.

64. Wallace, *History of the University of Toronto*, p. 164.

65. Ontario, Royal Commission on the University of Toronto, *Report*. Toronto: King's Printer, 1906, p. xx.

66. Ibid., p. xx.

67. Ibid., p. xx.

68. One amendment that was made was to add a provision permitting the future federation of additional arts colleges. This was apparently at the request of St. Michael's, which then planning to undertake degree work at the undergraduate level, and which did enter into full federation in 1910, on a basis similar to Victoria, Trinity and University College. See Shook, *Catholic Post-Secondary Education*, 152-3.

69. Michael Bliss, *A Canadian Millionaire: The Life and Times of Sir Joseph Flavelle, Bart., 1858-1939*. Toronto: Macmillan, 1978, p. 168.

70. Tamblyn, *These Sixty Years*, p. 15.

71. Michael Hayden, *Seeking a Balance: The University of Saskatchewan, 1907-1982*. Vancouver: University of British Columbia Press, 1983, p. 11.

72. Walter H. Johns, *A History of the University of Alberta, 1908-1969*. Edmonton: University of Alberta Press, 1981, pp. 34-5.

73. John Archer, *The U of R: A History*. Regina: University of Regina, 1984, p. 3.

74. Ibid., p. 35.

75. Manitoba, Royal Commission on the University of Manitoba, *Report*. Winnipeg: King's Printer, 1910.

76. C.G. Stone and F.J. Garnett, *Brandon College: A History, 1899-1967*. Brandon: Brandon University, 1969, p. 66.

77. Canada, Royal Commission on Industrial Training and Technical Education, *Report of the Commissioners*. Ottawa: King's Printer, 1913, 4 vols.

78. See J. Stefan Dupré, et al, *Federalism and Policy Development: The Case of Adult Occupational Training in Ontario*. Toronto: University of Toronto Press, 1973, pp. 13-14.

79. Gwendoline Pilkington, *A History of the National Conference of Canadian Universities, 1911-61*. Unpublished Ph.D thesis, University of Toronto, 1974, p. 251.

80. W. Peterson and H.M. Tory, *McGill University in British Columbia: A Statement Issued Under the Authority of the Corporation of the University*. Montreal: McGill University, 1906, p. 3.

81. Brian Coleman, "McGill British Columbia, 1899-1915," *McGill Journal of Education*, vol. 11, no. 2, Fall 1976, p. 183.

82. F.H. Johnson, *A History of Public Education in British Columbia*. Vancouver: University of British Columbia Publications Centre, 1964, p. 82.

83. Cited in Mel Thistle, *The Inner Ring: The Early History of the National Research Council of Canada*. Toronto: University of Toronto Press, 1966, p. 53.

84. Statistics Canada, *Historical Compendium of Education Statistics from Confederation to 1975*. Ottawa, Catalogue No. 81-568, 1978, p. 27.

85. Ibid., p. 250.

86. Thistle, *The Inner Ring*, p. 29.

87. Statistics Canada, *Historical Compendium*, p. 247.

88. 10 Geo. V, Chap. 38, S.Q., Section 17.

89. Olivier Maurault, *L'Université de Montréal*, p. 26.

90. Galarneau, *Les Collèges Classiques*, p. 42.91.91.Louis-Philippe Audet et Armand Gauthier, *Le Système Scolaire du Québec: Organisation et fonctionnement*. Montréal: Librairie Beauchemin, 1967, pp. 46-7.

92. Ontario, Royal Commission on University Finances, *Report*. Toronto: King's Printer, 1921.

93. James G. Greenlee, *Sir Robert Falconer: A Biography*. Toronto: University of Toronto Press, 1988, p. 263.

94. Greenlee, *Sir Robert Falconer*, p. 280.

95. Manitoba, Royal Commission on Education, *Reports on the College of Agriculture and the University of Manitoba*. Winnipeg: Royal Commission on Education, 1923, p. 10.

96. Morton, *One University*, p. 142.

97. Letter from Andrew Carnegie establishing the foundation. Cited in the Carnegie Foundation for the Advancement of Teaching, *Annual Report*, 1906, p. 8.

98. W.S. Learned and K.C.M. Sills, *Education in the Maritime Provinces of Canada*. New York: The Carnegie Foundation for the Advancement of Teaching, 1922.

99. Ibid., p. 27.

100. Ibid., p. 30.

101. A.G. Bailey, *The University of New Brunswick*, p. 49. Learned and Sills had suggested that if UNB did enter the federation, some specialized programs, such as forestry, should be continued in Fredericton.

102. Longley, *Acadia University*, p. 125.

103. Shook, *Catholic Post-Secondary Education*, pp. 66-7, 87.

104. Reid, *Mount Allison University*, vol.2, pp. 50-80.

105. F.W. Rowe, *The Development of Education in Newfoundland*. Toronto: Ryerson Press, 1964, pp. 177-80.

106. See Henry F. Hall, *The Georgian Spirit: The Story of Sir George Williams University*. Montreal: George Mikan & Son, 1966.

107. Logan, *Tuum Est*, pp. 110-12.

108. British Columbia, *Report of the Committee Appointed by the Government to Investigate the Finances of British Columbia*. Victoria: King's Printer, 1932, p. 36.

109. David R. Murray and Robert A. Murray, *The Prairie Builder: Walter Murray of Saskatchewan*. Edmonton: NeWest Press, 1984, p. 189.

110. Carnegie Foundation, "Local Provision for Higher Education in Saskatchewan," in *Twenty-Seventh Annual Report*, 1932, p. 84.

111. See James M. Pitsula, *An Act of Faith: The Early Years of Regina College*. Regina: University of Regina, 1988, p. 134.

112. Morton, *One University*, p. 147-53.

113. Maurault, *L'Université de Montréal*, p. 31. The legislation created a conseil des gouverneurs as the senior governing body of the university (14 Geo. VI, Chap. 142).

114. R. Douglas Francis, *Frank H. Underhill: Intellectual Provocateur*. Toronto: University of Toronto Press, 1988, p. 79.

115. Ibid., pp. 109-27. Also Michiel Horn, *The League for Social Reconstruction: Intellectual Origins of the Democratic Left in Canada, 1930-1942*. Toronto: University of Toronto Press, 1980, pp. 176-201.

116. Canada, Royal Commission on Dominion-Provincial Relations, *Report*. Ottawa: King's Printer, 1940, Book II, p. 52.

117. Stephen G. Peitchinis, *Financing Post Secondary Education in Canada*. Report Commissioned by the Council of Ministers of Education of Canada, mimeographed, 1971, p. 86.

118. Alberta, University of Alberta Survey Committee, *Interim Report*. Edmonton: Sessional Paper No. 50, 1942, p. 24.

119. Ibid., p. 25.

120. Ibid., p. 26.

121. See E.E. Stewart, *The Role of the Provincial Government in the Development of the Universities of Ontario, 1791-1964*. Unpublished Ed.D. thesis, University of Toronto, 1970, pp. 429-31.

122. Pilkington, *A History of the National Conference of Canadian Universities*, p. 329.

123. The Social Science Research Council had been established in 1940. It was this proposal to suspend work in the arts which prompted the formation of the Humanities Research Council, under the leadership of Watson Kirkconnell, in 1943. See Watson Kirkconnell, *A Slice of Canada*. Toronto: University of Toronto Press, 1967, pp. 233-48.

124. National Selective Service Mobilization Regulations: Interpretive Letter No. 7, February 10, 1944. Cited in NCCU, *Proceedings*, 1944, Appendix I, p. 75.

125. C.M. Johnston, *McMaster University: Volume 2/The Hamilton Years*. Toronto: University of Toronto, 1981, pp. 192-3.

126. John B. Macdonald et al, *The Role of the Federal Government in Support of Research in Canadian Universities*. Special Study No. 7, prepared for the Science Council of Canada and the Canada Council. Ottawa: Queen's Printer, 1969, p. 102.

127. See Andrée Désilets, Jean-Guy Lavalée, et Louise Brunelle-Lavoie, *Les 25 Ans de l'Université de Sherbrooke, 1954-1979*. Sherbrooke: Les Éditions de l'Université de Sherbrooke, 1982, pp. 3-15.

128. Ibid., pp. 37-38.

129. Pilkington, *A History of the National Conference of Canadian Universities*, pp. 509-30.

130. Four of the five commissioners were closely associated with universities. The chairman, Vincent Massey, was chancellor of the University of Toronto, Norman Mackenzie was president of UBC, Hilda Neatby was a

professor in the University of Saskatchewan, and Rev. Georges-Henri Levesque was dean of the Faculty of Social Sciences at Laval.

131. Canada, Royal Commission on National Development in the Arts, Letters and Sciences, *Report*. Ottawa: King's Printer, 1951, p. 132.

132. Ibid., p. 355. Peter Waite suggests that it was Mackenzie who persuaded his colleagues on the commission to recommend federal grants to universities (*Lord of Point Grey*, pp. 149-50).

133. In his memoirs, Pickersgill recounts his version of discussions with St. Laurent, in which his support for federal grants was based on the interprovincial mobility of students and the substantial interest of the federal government in hiring graduates. See J.W. Pickersgill, *My Years with Louis St. Laurent: A Political Memoir*. Toronto: University of Toronto Press, 1975, p. 140.

134. Marcel Faribault was perhaps the most vocal critic. As secretary-general of the Université de Montréal, he wrote to the president of the NCCU in August, 1951 objecting to the endorsement of the Massey commission report and specifically its recommendation in favour of federal grants.

135. This had the incidental effect of increasing the funds available for the other provinces. Thus the average per student grant increased from $120 in 1951-52 to $134 in 1952-53.

136. Some institutions became quite imaginative in qualifying for federal grants. St. Michael's in Toronto, for example, sought and obtained a legislative amendment establishing its seminary as a faculty of theology and thereby qualifying its students for federal support. Shook, *Catholic Post-Secondary Education*, p. 194.

137. Canada, House of Commons, *Debates*, 4th Session, 21st Parliament, p. 4278.

138. F.W.C. Abbott, *The Origin and Foundation of the Canadian Association of University Teachers*. Unpublished Ph.D. thesis, University of Toronto, 1985, p. 125.

Part I

PUBLIC POLICY

2

Growth and Expansion

The Shape of the Crisis

By the mid-1950s, the prospect that awaited Canada's universities and colleges was indeed a daunting one. Total enrolment in 1954-55 stood at 67,500, up 5 per cent over the previous year. Much was hidden within that total enrolment figure, however. On the one hand, it represented a drop of over 16,000 from the 1947-48 peak of 83,900. On the other hand, it masked a steady increase in non-veteran enrolment. Excluding veterans, university enrolment increased by 12 per cent between 1949 and 1954, and by a staggering 70 per cent between 1944 and 1954.[1] The rise in participation rates reflected the growing importance of a university education in a rapidly industrializing and urbanizing economy. This coupled with the postwar baby boom, fuelled Sheffield's projection that enrolment would continue to rise at an increasing rate, virtually doubling in the next 10 years, and passing the 1947-48 peak by 1959-60.

The impact of the projected enrolment growth was not likely to be felt equally across the variety of institutions making up Canada's system of higher education. In 1954-55, it was possible to count 179 institutions offering instruction at the university level. This number included 92 classical colleges in Quebec offering the advanced, college level of the classical course. Most of these were small, with fewer than 100 students at the advanced level. But most of the other institutions were also small, many of them denominational, residential colleges with limited capacities to expand.

Most of the students were actually enrolled in a few universities.[2] In all of Canada, there were only 20 universities with more than 500 students. Thirteen of these had more than 1,000 students, four had more than 5,000, and only one, Toronto, had more than 10,000.[3] Altogether, these 20 institutions accounted for just about 80 per cent of the total enrolment. The prospects for these larger universities, in terms of the additional students to be anticipated, were nothing if not dramatic. As Sidney Smith, president of the University of Toronto, said during the 1955 symposium of the National Conference of Canadian Universities (NCCU), "Dr. Sheffield's survey of enrolment prospects . . . cannot be expected to cheer us."[4]

The consequences of these enrolment prospects would be felt primarily in the pressure they would create in two areas: physical facilities and academic staff. Although universities had expanded quickly to accommodate the influx of veterans, they had done so through decidedly temporary arrangements. By virtue of the sequence of Depression and war, there had been little capital construction since the 1920s (when enrolment was a third of its 1955 level).

Permanent staff increases had also been kept to a minimum, and most of the additional teaching required to meet the veterans' demands was provided by a combination of part-time instructors and increased teaching loads for existing staff. There were approximately 6,000 full-time university instructors in 1954-55, and a doubling of enrolment therefore implied adding nearly another 6,000 over the next 10 years, if the same faculty-student ratio was to be maintained. By comparison, only 453 full-time positions had been added in the preceding five years. Moreover, the total of all doctoral degrees awarded in Canada in 1955, mostly by Toronto and McGill, was 266,[5] less than half the number that would be required annually over the next decade just to meet the need for additional university faculty.

One thing was crystal clear: accommodating the projected increase in university enrolment was going to be expensive. Where would the money come from? The traditional sources of university income were tuition fees, provincial government grants, and private subscriptions and endowments. In the 1920s, provincial grants had accounted for approximately 50 per cent of all university income, tuition fees for 20 per cent, and private income for 30 per cent. During the Depression, provincial grants were reduced, and tuition fees increased proportionately.

As can be seen from Table 1, the combination of provincial grants and student fees was almost identical in 1931 and 1936, at about 71 per cent. But over that five-year period, the relative contribution of provincial grants dropped, while that of student fees increased, by nine percentage points in each case. At the same time, a gradual decline in the proportionate yield of endowment funds was offset by deficit financing, a practice that continued, on a net basis for the system as a whole, until the veterans' grants brought the system back into a net surplus position.

Table 1
University Operating Income by Source, as a Percentage of Operating Expenditures, 1921 to 1954

Year*	Prov. Grant**	Federal Grant	Total Gov't Grant	Student Fees	Endowment Income	Misc.	Surplus or (Deficit)
1921	50.4%	0%	50.4%	20.3%	16.7%	13.9%	(1.3)%
1926	48.4	0	48.4	21.1	19.0	10.9	(0.5)
1931	48.0	0	48.0	23.0	15.6	10.1	(3.3)
1936	39.0	0	39.0	32.4	14.2	11.2	(3.1)
1941	42.1	0	42.1	31.8	12.7	12.7	(0.7)
1946	30.6	10.7	41.3	38.6	9.5	12.4	1.8
1947	29.2	12.7	41.9	41.6	7.1	9.5	0.1
1948	30.0	10.3	40.3	40.6	6.5	13.0	0.5
1949	33.5	7.9	41.4	40.7	6.6	12.4	1.0
1950	35.8	5.9	41.7	37.9	7.2	12.6	(0.6)
1951	41.7	4.2	45.9	34.4	7.7	11.4	(0.6)
1952	38.2	15.3	53.5	30.8	6.7	11.0	2.2
1953	40.8	12.2	53.0	28.5	5.9	13.3	0.7
1954	40.4	14.9	55.3	28.5	6.3	11.5	1.6

Notes: * The academic or fiscal year ending in the year shown.
** Includes municipal grants (never more than 0.5 per cent).

Source: Dominion Bureau of Statistics, *Survey of Higher Education*, various years. These data were reported by institutions representing about 80 per cent of total enrolment.

It is also worth noting from this table that the federal veterans' grants were offset by a proportionate reduction in provincial support, so that total government support remained remarkably constant through the 1940s at about 41 per cent of total expenditures. The provinces' share dropped 13 percentage points between 1941 and 1947. Provincial grants had dropped from about 50 per cent of total expenditures in the 1920s to about 30 per cent in the mid-1940s. They then began a steady climb back to about 40 per cent, as federal contributions declined with the declining number of veterans. Federal contributions, for their part, increased again with the introduction of direct grants in 1952. At least for the initial years of these grants, provincial contributions were not proportionately reduced, with the result that total government grants increased from just over 40 per cent in 1950 to over 55 per cent in 1954. The major proportional decline was in student tuition, which dropped from 38 per cent to 28 per cent over the same period. Not everyone in the universities was delighted with this growing dependence on government support.

Shaping a Response

How were Canada's universities to respond to the impending crisis? Some, like Toronto's Sidney Smith, advised caution. Arguing that "qualitative standards are significant in education," he questioned the wisdom of accepting all of the anticipated increase in student numbers. Indeed, he argued: "A change in the trend . . . towards enrolling in the universities a steadily increasing percentage of a steadily increasing population . . . would not spell failure on the part of Canadian universities in their service to Canadian society."[6]

Others, however, were enthusiastic. Dr. N.A.M. "Larry" MacKenzie, president of the University of British Columbia, was certainly one. According to Peter Waite's biography: "Larry revelled in numbers. U.B.C. should take in almost anyone who came. The untalented and lazy (not the same thing) would doubtless fail, but something would rub off on them.[7]

What is perhaps most significant is that the whole issue of how and to what extent universities would respond to the crisis of numbers was seen as a matter for resolution primarily by the universities themselves. Certainly this was the view of most presidents, and their collective judgment was in favour of growth. What they needed to do was to convince the public, and through the public their governments, that more money was urgently required. Moreover, they had convinced themselves that the principal target should be the federal government. It had worked in 1949-1951 via the (Massey) Royal Commission on National Development in the Arts, Letters and Sciences, so why not again?

The fact that Quebec's universities were blocked from receiving federal grants was too easily attributed to petty provincialism on the part of Premier Maurice Duplessis. Certainly the NCCU showed remarkably little sensitivity to the constitutional implications of direct federal involvement in higher education, or to the political consequences of further isolating Quebec. The Tremblay commission, Quebec's Royal Commission of Inquiry on Constitutional Problems, observed in its 1956 report that:

> No other federal move . . . has underlined to any greater extent the delicate situation in which Ottawa's repeated generosities for provincial purposes has placed Quebec. The other provinces may accept them without danger, but this is not always the case for Quebec . . . . There is no doubt that it can always refuse them, but in that case, its own citizens are the ones being punished, since these latter pay for the maintenance in all provinces of a system of subsidies from which they themselves receive no benefit.[8]

The makings of a major constitutional conflict were being put in place around the issue of federal grants to universities. As early as 1954, after advising Quebec's universities not to accept the grants, Duplessis announced his intention to introduce a provincial personal income tax for the specific purpose of raising provincial funds to substitute for the federal grants.[9] Meanwhile, the NCCU's public relations campaign leading up to the 1956 conference simply avoided the issue in Quebec.[10]

The 1956 Conference: "Canada's Crisis"

The centrepiece in the NCCU's response to the crisis of numbers, and therefore of dollars, was the national conference held in November 1956 and involving university, government and business leaders. It was organized by the publicity committee, headed by Claude Bissell, the newly appointed president of Carleton University in Ottawa.

The conference attempted to tackle the central problem of staffing Canadian universities, having commissioned three studies dealing respectively with the humanities, the physical and natural sciences, and the social sciences. Unfortunately, the three studies were based on inconsistent data and assumptions and therefore could not be aggregated. A.S.P. Woodhouse, with the most detailed of the three analyses, projected a need for 688 more professors in the humanities over the next 10 years, to augment the existing total of 988.[11] R.G. Gendron, using a somewhat different approach, concluded that 1,124 professors of science and engineering would have to be added to the existing total of 1,108.[12] Finally, B.S. Keirstead, noting that "...the statistics I had hoped for are not available," addressed the needs of the social sciences for the next five years and was able to conclude only that: "...it becomes apparent that far more than 100 new instructors will be needed by the universities to maintain the present teacher-student ratio in the social sciences, and that far fewer than 100 persons will become available during the five-year period."[13]

A further study attempted to specify, in terms of higher salaries, the price that might have to be paid in order to attract additional faculty members. V.C. Fowke, past-president of the Canadian Association of University Teachers (CAUT), argued: "The significant point is that university employers are attempting to recruit and hold faculty today with salary offers which would have to be from two-thirds to nine-tenths higher to make university employment an effective competitor for adequately qualified personnel."[14]

The essential message of that argument was that if faculty numbers were to double over the next decade, the salary bill of the universities could be expected to triple or quadruple.

Thus we return to what was the point of clear consensus at the 1956 conference: the universities needed much more money. And on this point, the delegates were mostly delighted, if not altogether surprised, when Prime Minister St. Laurent made two announcements at the conclusion of the conference. First, the funds available for operating grants to universities would be doubled to $1.00 per capita. Second, the Canada Council, initially proposed by the Massey commission in 1951, was not only to be established, but was to be given $50 million, half of its total funding, specifically for the support of university capital construction.

The prime minister chose this occasion to defend the constitutional legitimacy of federal grants to universities. That defence was based on an uncompromising assertion of the so-called spending power of the federal parliament:

> The federal government has the absolute right to use indirect taxation for any purpose, and the right to impose direct taxation provided that it is destined to increase Canada's Consolidated Revenue Fund. With the approval of Parliament, it can then use this money to make gifts or grants-in-aid to individuals, institutions, provincial governments, or even foreign governments. This is a royal prerogative which our constitution does not limit in any way.[15]

One person who took strong exception to that argument was Professor Pierre Trudeau. Writing in *Cité Libre* in February 1957, he contended that St. Laurent's argument could not be defended by either constitutional authority or the principles of responsible federal democracy. "It remains the duty of each government," he concluded, "to ensure that it does not collect taxes for that part of the public interest not within its jurisdiction." Fully concurring with the position taken by Premier Duplessis on this issue, Trudeau continued:

> If the federal government has a surplus of funds large enough to give grants to all universities . . . this government is plainly guilty of infringing the principle of the proportional division of fiscal resources that underlies any federal system; it has levied for education, which is not within its competence, funds that—had the matter been left to the provinces—might or might not have been used for universities, depending on the wishes of the provincial electorates and their respective governments.[16]

St. Laurent's announcement respecting operating grants went further than just defending the principle and increasing the amount. In a clever attempt to circumvent Quebec's objections or, perhaps more realistically, to increase the capacity and incentive on the part of Quebec universities to put pressure on the provincial government, the grants would henceforth be paid, not to the universities directly, but to the NCCU for subsequent distribution to member institutions. By this device, Quebec's universities would not be faced with the prospect of accepting grants from the federal government, but would be protected by a buffer agency, and one of their own constitution. The grants would to be paid to the NCCU unconditionally, in the sense that a prior university commitment to accept them was not required. If any university declined to accept its allocation from the NCCU, the money would simply be held in trust until it did.

As it turned out, the NCCU lacked the appropriate legal status to play this intermediary role and would presently create a separate executive body, the Canadian Universities Foundation (CUF), for this specific purpose (at the same time, the name of the parent body was changed to the National Conference of Canadian Universities and Colleges—NCCUC). In any case, the federal government's "NCCU dodge" failed to placate the government of Quebec. The constitutional stand-off continued, now with the NCCUC/CUF depositing the annual entitlements of Quebec universities in a special bank account.

Increasing the per capita value of the federal grants also did nothing to resolve another problem. By virtue of the formula employed, the per student value of the grants varied by province, depending on the ratio of students to provincial population. The more students there were in any province compared with the provincial population—whether the result of a higher participation rate or of interprovincial migration—the lower was the per student value of the federal grant for the universities of that province. These variations were by no means trivial.

In 1951-52, when the grants were first introduced, the average grant per student was $120.08. Memorial University in Newfoundland, however, received $483.15. At the other extreme, the universities of Nova Scotia, with almost no provincial operating support, received federal grants of only $92.45 per student. Of the four provinces whose universities received less than the national average per student grant, three would now be classed as "have-not" provinces. The per student value of the grants for each province is shown for 1951-52 through 1956-57, in Table 2.

The CAUT was full of praise for the lobbying efforts of the university presidents. Writing in the CAUT *Bulletin*, H.W. McCready noted that the conference, and the prime minister's announcements

> ... came as the culmination of two years of ... intensive study of the prospects of the Canadian university and as the culmination also of two years of sustained promotional and public relations enterprise on the part of university administrations. Canada has, perhaps, seen nothing to equal the latter as an essay in the engineering of consent since the day of Victory Loans in World War II.[17]

Public Opinion and Economic Utility

As with any public lobbying campaign, the success of the universities was undoubtedly due in no small part to a receptive public opinion. By the mid-1950s, the idea was rapidly taking hold that universities and

Table 2
Per Student Value of Federal University Grants
by Province, 1951-52 to 1956-57

Province	Year*					
	1952	1953	1954	1955	1956	1957
Nfld.	$483.15	$459.46	$477.56	$394.06	$357.64	$560.91
P.E.I.	184.27	205.18	209.49	214.29	207.69	320.27
N.S.	92.45	95.19	89.00	85.23	80.85	155.42
N.B.	136.19	144.90	133.07	122.59	112.36	199.88
Quebec	105.21	--	--	--	--	(193.67)**
Ontario	126.28	135.45	144.55	140.98	137.84	260.82
Manitoba	98.74	100.94	99.85	99.26	101.56	191.88
Sask.	180.73	182.15	177.60	163.56	151.97	264.70
Alberta	165.17	165.13	157.99	157.57	149.80	296.89
B.C.	102.86	109.77	109.51	105.41	99.42	176.35
Average	120.08	134.06	135.97	131.52	126.84	221.44

Notes: * July 1 to June 30 ending in the year shown.
** Held in trust by the NCCU.

Source: *Canada Year Book* (annual).

a university education represented an almost certain path to economic growth and individual prosperity. Indeed, a year prior to the NCCU's 1956 conference, the A.V. Roe company had sponsored a three-day gathering of Canadian industrialists to discuss the universities' role in providing much needed scientific and technical manpower.

A particularly forceful endorsement of the economic value of universities was advanced by the Royal Commission on Canada's Economic Prospects, which was headed by Walter Gordon, a member of the board of governors of the University of Toronto. The commission's preliminary report, issued only one month after the NCCU conference, placed the improvement and expansion of universities at the very centre of its economic development strategy for Canada:

> What is being suggested in essence is that a deliberate and sustained effort be made to raise the quality and standards of Canadian universities to among the highest prevailing anywhere in the world. It is perhaps not going too far to suggest that no other single course of action would be so likely to have such an important and fundamental effect upon the long-term economic prospects for Canada.[18]

The commission's preliminary report was quite explicit as to what had to be done. "What is needed," the report argued, "is a very substantial increase in the salaries of university teachers, and particularly of those in the higher ranks."[19] The cost of improving and expanding Canada's universities was put at between $24 million and $36 million annually on operating account, depending on whether salaries were increased by 50 per cent or 100 per cent! The capital cost was estimated at about $40 million annually for the next 25 years, or a total of $1 billion.[20]

The final report of the commission, completed a year later and released in 1958, was less precise but no less forceful in its argument:

> We . . . feel it our bounden duty to call attention as forcefully as we can to the vital part which the universities must play in our expanding and increasingly complex economy, and to the necessity of maintaining them in a healthy and vigorous condition.
>
> . . . .
>
> Canadian universities . . . are the source of the most highly skilled workers whose knowledge is essential in all branches of industry. In addition they make a substantial contribution to research and in the training of research scientists.[21]

By then, of course, the Soviet Union had successfully launched earth's first artificial satellite, Sputnik, which added a strategic dimension to the expansion of higher education and research.

Urged on by this and many more indications of their new-found importance for Canada's future economic prosperity and security, universities began planning for new buildings, new programs, and much larger numbers of staff and students.

The next few years, to 1960, saw the foundations laid for a virtual revolution of higher education in Canada. And while there was considerable variation in time and in detail, these foundations came to rest upon four principal pillars: massive physical expansion of the major universities, growing autonomy for junior and affiliated colleges, the transformation of denominational colleges into public universities, and community pressure for new institutions in cities currently without a university or college. A few examples will help to illustrate the character of each of these four developments.

Campus Expansion

One of the first of the major universities to begin planning for the impending explosion of student numbers was the University of Toronto. In 1955 the senate established the "plateau" committee, a name that nicely captured an acceptance of the need to expand while registering a determination to limit that expansion to a predetermined optimum level—a new enrolment plateau. The committee's report, completed in 1956, set this plateau at 23,400 students, roughly double the current level, to be reached by 1968. Significantly, the committee's enrolment projections indicated that the proposed growth of the university would not meet the demand for university places in metropolitan Toronto, and it therefore called for the establishment of one or more new colleges on the periphery of the metropolitan area.

The report of the plateau committee, endorsed by senate, was then taken up by an advisory planning committee of the board of governors. This committee accepted the senate's enrolment plateau, reasoning that:

> Such an enrolment is merely our share of the larger numbers in a growing youth population wishing to attend University. In view of this, and in light of Canada's need for larger numbers of university graduates, it is essential that we plan a university which can accommodate such an enrolment. It is clear that we can do no less.[22]

The advisory planning committee considered and quickly rejected the idea of removing the university to an alternative suburban location, preparing instead plans for a greatly expanded downtown campus. The board accepted this approach, and in 1956 expropriated 26 acres immediately to the west of the existing campus, with funds provided by the provincial government.[23] The actual building program was expected to extend over 10 years, at a cost of some $50 million. It would equal all of the construction undertaken since the founding of King's College 130 years earlier.

Claude Bissell, who returned to Toronto in 1958 as president, would later write very critically of the physical expansion of the 1950s and deplore "the general level of dullness of the new buildings that rose on the St. George campus and the absence there of any strong coherent plan."[24] This, he argued, was the direct result of the board's decision to expand as quickly and as economically as possible: "Business practice was to be the model: buildings must be factory-like in design and materials; residences must be designed so as to contain as many bodies as possible in as little space as possible."[25]

The University of British Columbia (UBC), which had only just established itself as a full-service university in the immediate postwar period (a faculty of law was established in 1945, the decision to build a medical school was taken in the same year, and pharmacy was added in 1948), now faced another and more extensive round of building and expansion. Three projects were given the highest priority: an arts building, a medical sciences complex, and men's residences. The central problem, as for most universities, was finding the money. The provincial government was far from convinced that such large-scale expansion was necessary, and offered capital funding of only $1 million per year for 10 years, including an addition of 433 acres to the university's campus.[26]

In the event, UBC raised $11 million in a capital campaign (the target had been $5 million) and obtained an additional commitment from the provincial government to match this dollar for dollar, initially to a limit of $5 million, subsequently increased to $7.5 million, and finally capped at $10 million. By 1958-59 President Mackenzie could report that "the success of the Development Fund has enabled the University to begin a ten-year $35,000,000 building programme."[27] Enrolment almost doubled between 1954-55 and 1959-60, from 5,675 to 10,112.

Laval, meanwhile, began building an entirely new campus after 1954, relocating the university from its historic location in the old city to "cité universitaire" in suburban Ste. Foy. The mastermind behind this major undertaking was the university's rector, Msgr. Alphonse Parent. He has appropriately been called the second founder of Laval.[28]

Memorial University in Newfoundland took a similar course, although that decision was as much the government's as the university's. Enrolment, initially slow to increase, doubled in only three years, passing the 1,000 mark in 1958. By then, however, the existing building had more than reached capacity, and a ceiling had to be placed on first year admissions, while planning proceeded for a whole new campus on land acquired by the government on the western periphery of the city. Construction of the first buildings was completed in time for the 1961-62 academic term. A description of the opening ceremonies of the new campus must be left to the premier, J.R. "Joey" Smallwood:

> Can there have been many university functions to equal the one that we had to launch Memorial's new campus in 1961? I invited Mrs. Eleanor Roosevelt to come and open it .... The Prime Minister of Canada ... was there ... and the Duke of Devonshire .... I invited the president of every university in Canada to attend, and chartered a large plane to pick them up at airports all the way from British Columbia to Halifax .... I brought students into St. John's from all parts of Newfoundland and from Labrador, and they marched in contingents, proudly carrying banners denoting their school. There were 14,000 of them, and all those distinguished visitors sat on benches along Elizabeth Avenue and took the salute as the big parade of Newfoundland youth marched past. Nothing like this whole affair had ever been seen in Newfoundland before, or anywhere else in Canada, I'm sure. It started Memorial off in real style on their new campus.[29]

One important source of funding for all of this capital expansion was the university capital grants fund of the Canada Council, as announced by the prime minister in his address to the 1956 NCCU conference. The council itself was established by act of Parliament in February 1957, with an initial capitalization of $100 million. Half of this was earmarked for support of university building projects in the arts, humanities and social sciences.

The council, in consultation with the NCCU, adopted the same formula for distributing the funds as applied in the case of federal operating grants. That is, the money would be allocated by province on the basis of population and then divided among the universities and colleges of each province in proportion to enrolment. An additional provision limited each grant to not more than 50 per cent of the cost of a project. The effect of this allocation formula was to establish "mini-funds" or entitlements for each college and university. Each institution could then draw down its fund, as projects were prepared and the remainder of the funding was secured.

The program got off to a relatively fast start. In the first year, 1957-58, seven applications were approved for a total of $4.1 million. The next year saw $8.7 million more committed to another 24 projects. By the end of 1959-60, the total value of the fund, with accrued profits and interest, had grown to $56.8 million, with $22.2 committed to approved projects. Of the $34.6 million remaining, $18.3 was earmarked for institutions in Quebec which had thus far declined to apply. That barrier was finally removed in 1959 as part of the general accommodation respecting federal grants to universities in Quebec.

Autonomy for Junior and Affiliated Colleges

Each of the four western provinces had resolved upon a policy of one provincial university. Accommodating that policy to geopolitical realities, however, had led in each case to the establishment of at least one additional institution, affiliated with the university as a junior or satellite campus. Subordinate status is no more easily accepted by universities than by cities, however, and Victoria, Calgary, Regina and Brandon chafed under a policy of forced underdevelopment. Not surprisingly, these centres became prime targets of growth, partly encouraged by the parent institution as a means of diverting pressure from the main campus, partly as the embodiment of civic ambition, and mostly by the seemingly inexhaustible demand for elementary and secondary school teachers.

In the case of Victoria College, a junior affiliate of UBC since 1920, the first step toward autonomy was taken as early as 1945 when a new affiliation agreement established the Victoria College Council, a nascent board of governors consisting of representatives of the parent university, the Victoria school board, and the British Columbia Department of Education. In 1956 the college was merged with the provincial normal school, the latter becoming a faculty of education within the college. The same year saw the college program begin to grow from two to four years, with the effect that students would shortly receive UBC degrees for work done wholly at Victoria. It would be a small step from that to independent status and the awarding of its own degrees, a step strongly opposed by the president of UBC, Dr. MacKenzie.[30] By 1960, however, Victoria College's enrolment had passed the 1,000 mark, and the college was on the verge of independence.

Calgary, which like Victoria had lost the original competition for the site of the provincial university, acquired a satellite campus in 1945 when the Calgary Normal School became part of the University of Alberta, sharing facilities with the Provincial Institute of Technology and Art (now the Southern Alberta Institute of Technology).[31] Arts subjects were added in 1951 and physical education in 1956.

Rapid growth in the late 1950s led to plans for a new Calgary campus of the University of Alberta, plans that were fully realized by 1961. At the time the two campuses, in Edmonton and Calgary, were fully integrated within the structure of a single university, with one board of governors, one general faculty council, and the same academic requirements for programs offered on both campuses. Administratively, a principal of the Calgary campus reported to the president of the university. By 1960, however, discussions were well advanced within both the board and the faculty that would lead not only to autonomy for Calgary but a whole new structure for the governance of post-secondary education in Alberta.

Regina's dreams of a university, temporarily dashed by the absorption of Regina College into the University of Saskatchewan in 1934, were reborn in the 1950s. The key decision was taken in 1959 by the university: the academic program at Regina would be expanded gradually, to reach full degree status by 1965. But in contrast to Alberta, Saskatchewan remained firmly committed to the idea of a single provincial university. University degrees might be planned for Regina, but they would be University of Saskatchewan degrees. And with that, the Regina centre was officially designated "The University of Saskatchewan, Regina Campus." This arrangement was sufficient to accommodate the growth in enrolment, but it did so at the price of increasing inter-campus rivalry and antagonism.

Brandon College had long resented the University of Manitoba's monopoly on the granting of degrees in the province and, as a Baptist college, had preferred affiliation with McMaster University in Hamilton, Ont., to the University of Manitoba in Winnipeg. Its reincarnation on a non-denominational basis in 1939 left it no choice but affiliation with the provincial university, but this was at best a marriage of convenience. Brandon's enrolment remained relatively small (just over 250 by 1959-60) but its ambitions, along with those of its civic supporters, were much larger.

One other situation warrants mention at this point, even though it does not exactly fit the pattern of junior affiliated colleges. The Royal Military College (RMC) in Kingston was reorganized in 1948, offering a four-year program in engineering and permitting graduates to obtain a degree with one additional year's study at a university (the first two of RMC's four years might be completed at Royal Roads College in British Columbia or, after 1952, at Collège Militaire Royal de St. Jean). From 1953, the final university year was made mandatory for all cadets, but this proved to be both expensive and educationally unsatisfactory, and resulted in a move to acquire degree-granting powers for RMC itself.[32]

That goal was achieved in 1959 but, in deference to provincial jurisdiction over education, RMC acquired its authority to grant degrees from the Ontario legislature. One upshot of this was delightfully ironic. Kingston now had two degree-granting institutions, Queen's and RMC. But the provincially supported Queen's operated under federal legislation, while the federally controlled RMC granted degrees under provincial legislation.

Nowhere was the idea of a central university and affiliated colleges more fully developed by the 1950s than in Quebec, with its unique arrangement of classical colleges constituting the geographically decentralized units of the universities' faculties of arts. With growth in enrolment, and pressure for more, there was an obvious opportunity for the more ambitious colleges to aspire to full university status themselves.

Sherbrooke had already paved the way in 1954. Other colleges and their sponsors had similar ambitions, and none more so than the Jesuits in Montreal. They operated three institutions, the French-language Collège Sainte-Marie and Collège Jean-de-Brébeuf, and the English-language Loyola College (both Loyola and Jean-de-Brébeuf had been created out of the originally bilingual Collège Sainte-Marie/St. Mary's College, Loyola in 1896 and Jean-de-Brébeuf in 1928). All three enjoyed substantial academic autonomy, save only the power to grant their own degrees, by virtue of the 1889 papal decree. All three pressed vigorously for full university status, Sainte-Marie and Jean-de-Brébeuf proposing to reunite as l'Université Sainte-Marie. They might well have succeeded had the political ground not shifted so dramatically in 1959-60.

The fact of the matter was that the classical college was standing on a crumbling foundation. Its monopoly over secondary education, and therefore access to university, had been broken in 1939, when the graduates of public secondary school programs were admitted directly to some university programs. By 1954 the provincial Council of Public Instruction had officially recognized these programs as constituting a secondary education, paralleling the first four-year cycle of the classical college. In 1955, Arthur Tremblay, then a professor of education and shortly to become the *éminence grise* of postsecondary education in Quebec, reported that 40 per cent of all francophone university students entered directly from these public school programs.[33] Even so, the participation rate of francophone students in both secondary and university-level studies was far below the national level, and far below that for anglophones within Quebec.

One reason for this was the traditional separation of boys and girls from the very beginning of their education, with fewer opportunities for girls to proceed to university. Indeed, there were no classical colleges for girls until 1908.[34] By 1956, when 23 per cent of all university and college students in the rest of Canada were female, the proportion in Quebec was only 17 per cent.[35]

The classical college faced another challenge as well. Its unique formula depended on a low-paid clerical staff to offer an inexpensive classical education. There was little prospect that the supply of priests and religious teachers would expand to meet the anticipated growth in enrolment. The cost of relying on lay teachers, however, was beyond the means of most diocesan or other religious sponsors. The classical colleges received a major, if temporary, infusion of cash in 1951-52, when their final four years were deemed to be at university level and therefore eligible for direct federal grants. When access to this funding was blocked after one year the colleges, through their Fédération des collèges classiques, sought provincial support equivalent to that provided to the secondary programs in public schools. Their proposal to the Tremblay commission was an interesting one: the province should provide parents with vouchers which could be tendered for tuition in either a public or a private institution.[36]

The classical college had come to constitute a real dilemma for Quebec. While its intellectual strengths were beyond question, its inability to meet the province's needs for training in science and the newer professions was becoming ever more apparent. Quebec's response to this dilemma would be a dramatic one. In the meantime, another change was gathering momentum elsewhere, and would shortly be felt in Quebec: the secularization of higher education and with it the virtual eclipse of the denominational college.

From Denominational Colleges to Public Universities

If denominational colleges were the legacy of the nineteenth century beginnings of higher education in British North America, their transformation into public universities was certainly one of the strongest pillars supporting the emergent structure of postsecondary policy at the dawn of the second half of the twentieth century. And precisely because Ontario had drawn the sharpest line between denominationalism and public support, it was in Ontario that the most dramatic moves were made on the part of denominational institutions, albeit following patterns that had been established much earlier.

McMaster University's transformation had begun in 1948 when it created the non-denominational Hamilton College, for teaching and research in the sciences. Its transformation was completed in 1957 when Hamilton College effectively assumed control of McMaster, retaining the latter name, but introducing a lay board of governors, a new provincial charter of incorporation, and no further connection with the Baptist Church (the McMaster Divinity College was separately incorporated at the same time, under its own church-appointed board, as an affiliated theological college of McMaster University).

This pattern was repeated, albeit in a more complex fashion, by Assumption College in Windsor. After 34 years as an affiliated college of the University of Western Ontario, Assumption obtained its own degree-granting powers in 1953. Still controlled by the Basilians, it was precluded by its provincial charter from using the designation "university" until at least one other college was involved. Meanwhile, a group of Assumption faculty and local community leaders set about to establish the non-denominational Essex College, to provide instruction in science, mathematics, and commerce. With that accomplished, a new charter in 1956 brought Essex into affiliation with Assumption under the name of Assumption University of Windsor. Essex, but not Assumption, received provincial operating grants (initially $200,000).

A year later the Anglican Church established Canterbury College in affiliation with Assumption University. Nothing could have underscored more emphatically the changing nature of church-supported higher education than the affiliation of an Anglican college with a Catholic university. It was, as L.K. Shook described it, "unique and altogether extraordinary."[37] The final step was taken in 1963, with the establishment by provincial charter of the University of Windsor. Assumption became a non-teaching, affiliated Catholic college of the public university; once again, the parent institution was now affiliated with its offspring.

Waterloo College, operated by the Lutheran Church, and also affiliated with Western, set out on the same path in 1953, although it was to arrive at a quite different destination. The impetus was provided by the appointment of J.G. Hagey, a public relations officer with the B.F. Goodrich Company, as president of Waterloo College. He immediately set about to create a non-denominational, affiliated science faculty. By 1956 Hagey had obtained letters patent for the Waterloo College associate faculties, with its own board consisting mostly of local industrial sponsors. "After we had it," Hagey is quoted as saying, "we had to figure out what it was going to do."[38]

And, of course, what the board decided to do was quite amazing, creating Canada's first university-industry cooperative education program. But the board also had a larger vision. By 1956 the plan was to create a new university, following the McMaster plan. The "associate faculties" would become the University of Waterloo, while Waterloo College (Lutheran) and St. Jerome's College (Catholic) would become affiliates. The legislative basis for the plan was put in place in 1959 with the enactment of provincial charters for the University of Waterloo, Waterloo Lutheran University, and the University of St. Jerome's College. Both St. Jerome's and Waterloo Lutheran agreed to the affiliation arrangement, but in January 1960 the Synod of the Lutheran Church vetoed the scheme and decided to proceed on an independent course. The result was that there would be two universities in Waterloo, one public and one church controlled. Ironically, the Anglican, United and Mennonite churches would shortly establish residential colleges in affiliation with the non-denominational University of Waterloo. Waterloo Lutheran was bucking a strong tide, and its independent existence would prove to be both difficult and short.

The reverse-affiliation formula was used once more in Ontario, in the establishment of Laurentian University in Sudbury. The parent institution in this case was the Jesuit Collège du Sacré-Coeur, a francophone classical college established in 1913 and affiliated first with Ottawa and later with Laval.

The first step occurred in 1957 when the tiny college was restructured under provincial legislation and expanded into the bilingual University of Sudbury/Université de Sudbury. Still a Jesuit institution, and therefore denied provincial support, it immediately began offering its own degrees while nursing ambitions of becoming, in effect, the university of northeastern Ontario (Collège de Hearst was affiliated with Sudbury in 1959, the same year as the latter institution received its new charter). Within a year, however, the United Church had established the Northern Ontario University Association to develop its own church-based higher education facilities.

The stage was now set for the second step in the process, and in 1960 the non-denominational but bilingual Laurentian University was established by provincial charter, on the federal model of the University of Toronto. Sudbury University became a federated college (holding its degree-granting powers in abeyance except in theology), along with the United Church's Huntington College and the newly established, non-denominational, University College. The Anglican Church established Thorneloe College in 1961, and it entered into federation in 1963.

There was little doubt that the principal motivation in the transformation of denominational colleges into public universities in Ontario was the prospect of provincial financial support. But there was more to it than that. Not only was the cost of operating a modern university rapidly overtaking the resources of denominational sponsors, but the tide of academic and public opinion was turning against church control. Thus, even within Laval, still unquestionably a Catholic institution, the first steps were taken in the latter half of the 1950s that would lead ultimately but irresistibly to lay control. In 1955, after a thorough analysis of the university's assets and liabilities the Séminaire de Québec, which still operated the university, agreed to a new arrangement which separated the accounts of the two establishments and put the university's financial affairs on a more businesslike footing.[39] Then, in 1957 the council of the university established a commission to examine the entire structure of the arts program, thereby opening for review the question of the appropriate relationship between the university and public secondary schools as well as the private classical colleges. Similar developments were occurring in other Quebec universities. The Université de Sherbrooke, for example, which received its ecclesiastical charter only in 1958, was administratively separated from its parent college in 1959.[40]

If the tide of opinion was turning against church control, it was bringing to the surface a new-found source of support in the form of community boosterism. This was certainly a factor in the emerging autonomy of affiliated colleges and the evolution of denominational colleges into public universities; it would be the dominant factor in the founding of several new universities and colleges.

Community Support and New Universities

Carleton College had been established in 1942 by a community group that emerged from the local YMCA and incorporated itself as the Ottawa Association for the Advancement of Learning under the Ontario Companies Act. From the beginning it had a close connection with the federal public service, from which came the bulk of both its part-time instructors and its students (all of whom were also part time in the early years). It finally obtained a provincial charter in 1952, albeit still as a college. But by 1956, when Claude Bissell was appointed president, Carleton was prepared with detailed plans and great ambitions to develop its own campus near the Rideau River. A year later, the provincial charter was amended to enlarge the board of governors and change the name to Carleton University. Perennially short of money and substantially in debt, Carleton University moved to its new campus just as the decade of the 1950s drew to a close.

In Toronto, the sheer number of university students that were expected by the late 1950s and especially the early 1960s, coupled with the University of Toronto's decision to limit its enrolment, made the development of one or more additional colleges or universities in the metropolitan area essential. This had been recognized explicitly in the 1956 report of the senate's plateau committee.

At about the same time, a group within the North Toronto YMCA, concerned primarily with opportunities for adult education, concluded that a regular multi-faculty university was the only appropriate response.[41] The two leading protagonists in this, Air Vice-Marshal Wilfred Curtis and Stanley Deeks, had been central figures in the 1955 conference sponsored by the A.V. Roe company. In remarkably short order, a board of governors had been constituted and, with provincial government support, an agreement was concluded with the University of Toronto (U of T) to assist in the development of a new university. Toronto even found itself contributing one of its vice-presidents, Murray Ross, as the first president. Taking as its own the original name of Toronto, and at the same time identifying with the municipality of North York that was to be its permanent home, York University officially came into being under provincial charter in 1959. The first class of 76 students entered in September 1960.

The agreement between York and Toronto was an interesting one. York's admission standards were to be those of Toronto, and all new faculty appointments were to be approved by the president of

U of T. Students would write U of T examinations and receive U of T degrees. There was never any question, however, that York would outgrow this junior relationship. The agreement was limited to a period of from four to eight years and was, in due course, terminated by mutual agreement in 1965.

An interesting mixture of provincial and community support lay behind the development of a quite unusual postsecondary institution in Port Arthur, Ont. A provincial technical institute had been established in 1948, offering a first-year arts course as well as technical subjects. With provincial prodding and support from the two cities of Port Arthur and Fort William (since amalgamated into the City of Thunder Bay), the institute was transformed in 1956 into the board-governed Lakehead College of Arts, Science and Technology.

E.E. Stewart suggests that this move reflected the government's interest in developing a number of junior colleges and other non-university institutions to accommodate a substantial portion of the projected enrolment pressures. In addition to Lakehead, the Ryerson Institute of Technology had also been established, in Toronto, in 1948. In the face of strong opposition from university presidents, he argues, the idea was no longer being promoted by 1958.[42] Supporters of Lakehead College, meanwhile, their appetite now whetted, pressed on for full university status despite the small size of the institution (full-time enrolment stood at 123 in 1959-60).[43]

A different route was pioneered in Lethbridge, Alta. In this case the initiative was taken by several school boards in the immediate area, which collectively established the Lethbridge Junior College in 1957. In fact, this was a cooperative venture between the school boards and the University of Alberta, which had a monopoly on university-level studies in the province, and which extended academic standing to the college as an affiliated junior college of the university.

The Lethbridge idea was an attractive one, especially to a provincial government facing the prospects of a very expensive growth in university enrolment. Within a year the Alberta government had passed the Public Junior Colleges Act, regularizing the procedures by which other school boards might establish junior colleges, while preserving academic control in the hands of the university. Several additional junior colleges would be established under this rubric in the mid-1960s, creating the basis for Alberta's sophisticated binary postsecondary system. Lethbridge, meanwhile, would press on with its dream of acquiring a full university.

Numerous other local groups were beginning to dream of and plan for the establishment of universities, or at least junior colleges, in their communities. Ontario continued to lead the field in this respect. Stewart suggests at least six other communities were at various stages of planning.[44]

Community pressure was by no means confined to Ontario, however. Several communities in Quebec had similar ambitions, usually associated with the local classical college. One that certainly felt entitled to consideration was Trois-Rivières, which was annoyed that the university had gone to Sherbrooke in 1954—especially since its provincial representative was Quebec's premier, Maurice Duplessis. Sir George Williams, meanwhile, obtained a provincial charter with full university status in 1959. In New Brunswick, St. Thomas College in Chatham obtained full university status as St. Thomas University in 1960, while community leaders in Saint John formed the Saint John College Development Corporation (if successful, Saint John would have become the seventh university in New Brunswick). There seemed to be no limit to the possible growth of higher education in Canada.

The Pattern of Growth

Canada's universities managed to accommodate the initial years of enrolment growth, and thus the crisis of the 1950s. Enrolment increased fully 51 per cent over the five years from 1954-55 to 1959-60, 20 percentage points more than Sheffield had originally projected. A comparison of his 1955 projections with actual enrolments is set out in Table 3.

The hiring of additional faculty initially lagged a year or two behind the growth in enrolment, but by 1960 was proceeding at a very rapid pace indeed. The rate of increase in faculty positions increased each year, from 3.8 per cent in 1955-56 to 12.2 per cent in 1959-60. Overall, some 2,726 positions were added, an increase of 42 per cent. One thousand new positions were added in 1959-60 alone, a quite remarkable achievement.[45] This extraordinary growth also set the stage for two subsequent policy issues: the recruitment of a large number of American faculty members gave rise to concerns about Americanization which ultimately led to regulatory controls on recruitment of non-Canadians; the rapid expansion in such a short period gave rise to subsequent concerns about the quality of faculty, almost all of whom had meanwhile been granted the security of tenure.

Table 3
Comparison of Sheffield's 1955 Projections with Actual Enrolment, 1955-56 to 1959-60

Year	Projected Enrolment	Actual Enrolment
1955-56	69,900	72,737
1956-57	73,400	78,504
1957-58	77,300	86,754
1958-59	82,200	94,994
1959-60	88,300	101,934

Sources: Sheffield, "Canadian University and College Enrolment Projected to 1965", and Dominion Bureau of Statistics, *Survey of Higher Education, 1954-1961* (Catalogue 81-518), p. 20.

As might be expected, the increase in faculty numbers was made possible only by a substantial rise in the level of faculty salaries. According to the survey of 17 universities carried out by the Dominion Bureau of Statistics,[46] the median salary increased by nearly 40 per cent in just three years, between 1956-57 and 1959-60. The rate of increase rose with rank, from 37 per cent for instructors and lecturers, to 42 per cent for full professors. Median salaries increased about four times faster than the consumer price index over the same period. Long-standing regional disparities were also reduced. The median salary of full professors in universities in the Maritimes moved up from 69 per cent to 75 per cent of the comparable central Canadian figure, while that of associate professors moved from 71 per cent to 80 per cent.

Naturally, these increases in both faculty numbers and salaries were reflected in increased university expenditures. Total operating expenditures almost doubled in five years, from $76 million to $143 million. Calculated on a per student basis, however, expenditures actually decreased in the first two of these five years, as enrolment growth outstripped faculty recruitment and salary improvement. But over the next three years, per student expenditures increased by 28 per cent in current dollars, and by 21 per cent in constant dollars (adjusted for increases in the consumer price index). These changes are displayed in Table 4.

Table 4
University Operating Expenditures per Student, 1955-56 to 1959-60

Year	Operating Expend. ($000s)	Enrolment	Oper. Exp. per Stud.	Oper. Exp. per Stud. (1956 $s)
1955-56	80,427	72,737	$1,106	$1,106
1956-57	86,521	78,504	1,102	1,068
1957-58	102,991	86,754	1,187	1,121
1958-59	121,113	94,994	1,275	1,190
1959-60	143,311	101,934	1,406	1,297

The principal source of additional funds sustaining this growth and expansion was the federal government. As Table 5 shows, the proportionate contribution of federal operating grants increased from just over 14 per cent in 1954-55 to nearly 22 per cent in 1959-60, while that of provincial grants dropped from over 40 per cent to just over 35 per cent. This was, of course, in addition to federal capital contributions through the Canada Council. Meanwhile, total government contributions increased only slightly, as a proportion of total operating expenditures, while tuition fees held steady and endowment income continued its long-term proportionate decline.

The growing dependence of universities on federal grants underscored the seriousness of the situation in Quebec, where provincial pressure had forced the universities to refuse federal grants. That intergovernmental impasse was finally broken in 1959, and the way in which this was done would have profound significance for the future locus of public policy responsibility for higher education in Canada.

Table 5
University Operating Income by Source, as a Percentage of Operating Expenditures, 1955 to 1960

Year*	Prov. Grant	Federal Grant	Total Gov't Grant	Student Fees	Endowment Income	Misc.	Surplus or (Deficit)
1955	40.7%	14.2%	54.9%	28.0%	4.8%	11.9%	(0.4%)
1956	41.1	15.0	56.1	26.9	5.8	11.1	(0.1)
1957	37.1	20.6	57.7	29.0	5.8	12.4	4.9
1958	36.7	18.7	55.5	30.0	4.2	10.0	(0.3)
1959	35.2	23.3	58.5	27.7	3.9	9.4	(0.6)
1960	35.3	21.7	57.1	28.5	3.5	10.4	(0.5)

Note: * The academic or fiscal year ending in the year shown.

Source: Dominion Bureau of Statistics, *Survey of Higher Education, 1954-1961.*

Federal Grants and Contracting Out

There were three elements to the impasse that had developed between Ottawa and Quebec over federal grants to universities and colleges. The first, and the precipitating factor, was Quebec's constitutional objection to the grants themselves. But this, in turn, had two consequences, one for Quebec taxpayers compelled to pay both federal and provincial income taxes, and the other for universities and colleges whose revenues did not keep pace with their counterparts in provinces receiving both federal and provincial support.

Existing federal legislation allowed a maximum deduction of 5 per cent of federal taxes in provinces that might choose to levy their own personal income tax. Premier Duplessis, quite naturally, claimed that the full 15 per cent, the effective rate of Quebec's tax, should be offset. In the midst of much controversy, the federal abatement was increased to 10 per cent, still leaving as "double taxation" one third of Quebec's tax. Duplessis could argue, with some logic, that the federal government could obviously afford to forego additional revenue since it evidently had excess funds, funds that were currently going to subsidize institutions within the constitutional responsibility of the provinces.

Meanwhile, the universities and colleges of Quebec were being squeezed in this intergovernmental tug of war. Despite increased provincial support, E.F. Sheffield observed that,

> ... during the time that Quebec universities were declining the grants and other universities were accepting them, teachers' salary increases in the Quebec institutions lagged behind those in other parts of the country, tuition fees were raised more drastically, and still the universities suffered crippling deficits.[47]

The increase in the value of federal grants to $1.00 per capita for 1956-57, and to $1.50 for 1958-59, only served to exacerbate the difficulty. The ability and willingness of the universities to continue refusing the federal dollars was being sorely tested. One small theological college, the Presbyterian College of Montreal (affiliated with McGill) actually broke ranks and claimed its federal grant in 1958. With 25 eligible students, the amount involved was only $4,437,[48] but the principle had nonetheless been violated. Then, in 1959 a second small institution, Collège Marie de France, followed suit and claimed $25,236 for its 101 eligible students.[49]

By this point even the federal government had concluded that something had to be done to break the impasse. In July 1959 the minister of finance, Hon. Donald Fleming, acknowledged that

> ... if there is no change of attitude, no change in the basis on which these university grants are payable, it must be recognized by all that the present situation cannot continue.
>
> ....
>
> ... [S]ome method must be worked out that will make those sums intended for the province of Quebec available to the institutions in that province in some form or other.[50]

The breakthrough came with the death of Premier Duplessis and, with a change in both personnel and attitude, a willingness in Quebec and Ottawa to find a solution to this nagging problem. The solution, worked out in the fall of 1959, came in two parts, one between Quebec and Ottawa and the other between Quebec and its universities.

As between Quebec and Ottawa, a new term was added to the lexicon of fiscal federalism: "contracting out." The federal government increased the tax abatement for corporate taxpayers in Quebec by 1 per cent, beginning in 1960, and at the same time terminated its grants to universities in Quebec. The revenue actually raised from the 1 per cent corporate income tax was to be adjusted annually, via the equalization transfer, to ensure that Quebec ended up with exactly the same revenue that would otherwise have been paid to its universities.[51]

As between Quebec and its universities, three elements were involved. First, all universities and colleges were freed to accept the federal grants for 1959-60. Second, beginning in 1960 Quebec would provide grants to the universities valued at $1.75 per capita (25 cents higher than the federal rate). Third, the universities would accept the funds held in trust by the NCCUC since 1957, some $25 million, but immediately turn them over to the provincial treasury. The province, in turn, would establish a capital fund, subsequently set at $175 million, with which to finance university expansion.[52] In addition, Quebec's universities were freed to accept their entitlements from the Canada Council's capital grants fund.

The resolution of the intergovernmental impasse over federal grants to Quebec universities signalled a dramatic change in the role of the provincial government. After two centuries in which education in general and higher education in particular had been left to the responsibility of private groups and the church, the provincial state quite suddenly moved to centre stage. But Quebec was by no means alone in this. Every provincial government, more or less willingly but nonetheless ineluctably, was drawn into responsibility for managing and financing what would soon be viewed as provincial systems of postsecondary education. Provincial responses to this challenge would vary, but they would vary within the confines of a few basic approaches, and it is to a consideration of these responses and approaches that we now turn.

Notes

1. Enrolment figures are taken from Dominion Bureau of Statistics, *University and College Enrolment Reported in Current Year*.

2. It is always difficult to deal with institutional enrolments in a way that is both accurate and meaningful. This is especially so in the case of affiliated colleges whose students may take some or all of their instruction at the central university. In representing universities by size here, enrolments of affiliated or federated colleges, where located on or near the same campus, are credited to the central university. Off-campus affiliates, including collèges classique, are counted separately.

3. Those between 500 and 1,000, in ascending order, were Memorial, Assumption, Acadia, Sir George Williams, Mount Allison, UNB, and McMaster. Those between 1,000 and 5,000, also in ascending order, were St. Francis Xavier, Dalhousie, Ottawa, Western, Queen's, Saskatchewan, Alberta, Manitoba, and Laval. Those between 5,000 and 10,000 were UBC, McGill, and Montreal. Figures taken from Dominion Bureau of Statistics, Ibid.

4. National Conference of Canadian Universities, *Proceedings*, 1955, p. 47.

5. Statistics Canada, *Historical Compendium of Education Statistics from Confederation to 1975*. Ottawa, 1978.

6. NCCU, *Proceedings*, 1955, p. 48.

7. P.B. Waite, *Lord of Point Grey: Larry MacKenzie of UBC*. Vancouver: University of British Columbia Press, 1987, p. 144.

8. Quebec, Royal Commission of Inquiry on Constitutional Problems, *Report*. Quebec: The Commission, 1956, p. 180.

9. *Canadian Tax Journal*, vol. 2, no. 1, January-February 1954.

10. Gwendoline Pilkington, *A History of the National Conference of Canadian Universities, 1911-61*. Unpublished Ph.D thesis, University of Toronto, 1974, p. 558.

11. A.S.P. Woodhouse, "The Humanities," in Claude T. Bissell, ed., *Canada's Crisis in Higher Education*. Proceedings of the Conference held by the National Conference of Canadian Universities, Ottawa, November 12-14, 1956. Toronto: University of Toronto Press, 1957, pp. 128-44.

12. R.G, Gendron, "The Physical and Natural Sciences," in Ibid., pp. 148-52.

13. B.S. Keirstead, "The Social Sciences," in Ibid., pp. 156-65.

14. Vernon C. Fowke, "Salaries and Related Conditions of Employment in Canadian Universities," in Ibid., pp. 168-80.

15. The prime minister delivered this portion of his address in French. There are several English translations available; this version is taken from Pierre Trudeau's "Federal Grants to Universities" as translated into English by Joanne L'Heureux and published in *Federalism and the French Canadians*. The original is in Claude Bissell, ed., *Canada's Crisis in Higher Education*, p. 251.

16. Pierre Trudeau, *Federalism and the French Canadians*. Toronto: Macmillan, 1968, p. 87.

17. CAUT *Bulletin*, vol. 5, no. 1, December 1956, p. 6.

18. Canada, Royal Commission on Canada's Economic Prospects, *Preliminary Report*. Ottawa: Queen's Printer, 1956, p. 112.

19. Ibid., p. 112.

20. Ibid., pp. 112-13.

21. Canada, Royal Commission on Canada's Economic Prospects, *Final Report*. Ottawa: Queen's Printer, 1958, p. 452.

22. University of Toronto, *Report of the Advisory Planning Committee to the Board of Governors, University of Toronto*. Mimeographed, 1957.

23. University of Toronto, *President's Report for the year ended June, 1955*. Toronto: University of Toronto Press, 1955, p. 12.

24. Claude Bissell, *Halfway up Parnassus: A Personal Account of the University of Toronto, 1932-1971*. Toronto: University of Toronto Press, 1974, p. 56.

25. Ibid., p. 59.

26. University of British Columbia, *The President's Report*, 1954-55, p. 38.

27. *The President's Report*, 1958-59, p. 13.

28. Paul-André Laberge, *L'Université Laval, 1952-1977: Vers L'Autonomie*. Québec: Les Presses de l'Université Laval, 1978, p. 35.

29. J.R. Smallwood, *I Chose Canada*. Toronto: Macmillan, 1973, p. 391.

30. Waite, *Lord of Point Grey*, p. 187.

31. The private (United Church) Mount Royal College, also in Calgary, had been affiliated with the University of Alberta since 1931. Its primary emphasis was at the secondary level, although it did offer some university-level courses.

32. R.A. Preston, *Canada's RMC: A History of the Royal Military College*. Toronto: University of Toronto Press, 1969, pp. 328-48.

33. Arthur Tremblay, "Prévisions jusqu'en 1965-66: Inscriptions dans les Collèges et les Universités de Langue Française de la Province de Québec," NCCU *Proceedings*, 1955, p. 51.

34. Louis-Philippe Audet et Armand Gauthier, *Le Système Scolaire du Québec*. Montréal: Librairie Bauchemin, 1967, p. 54.

35. Calculated from data in Dominion Bureau of Statistics, *Survey of Higher Education*, 1954-1961.

36. Paul Gérin-Lajoie, "Changing Patterns of Classical Education in Quebec," in NCCU, *Proceedings*, 1956, pp. 80-81.

37. Lawrence K. Shook, *Catholic Post-Secondary Education in English-Speaking Canada: A History*, Toronto: University of Toronto Press, 1971, p. 289.

38. James Scott, *Of Mud and Dreams: University of Waterloo, 1957-1967*. Toronto: Ryerson, 1967, p. 28.

39. Laberge, *Laval: Vers L'Autonomie*, pp. 29-30.

40. Desilets, et al, *Les 25 Ans de l'Université de Sherbrooke*, p. 63.

41. W.G. Fleming, "Post-secondary and Adult Education." Volume IV in the seven-volume *Ontario's Educative Society*. Toronto: University of Toronto Press, 1971, p. 202.

42. E.E. Stewart, *The Role of the Provincial Government in the Development of the Universities of Ontario, 1791-1964*. Unpublished Ed.D. thesis, University of Toronto, 1970, pp. 483-4.

43. Ibid., p. 111.

44. The six communities listed by Stewart were Chatham, Belleville, Barrie, Oakville, Oshawa, and Burlington.

45. Dominion Bureau of Statistics, *Survey of Higher Education, 1954-1961*, p. 22.

46. The universities included in the survey were as follows. Atlantic: Acadia, Dalhousie, Saint Francis Xavier, Mount Allison, New Brunswick; Central: Bishop's, McGill, Queen's, Toronto, Trinity, Victory, McMaster, Western; West: Manitoba, Saskatchewan, Alberta, and British Columbia.

47. E.F. Sheffield, "Canadian Government Aid to Universities," *Vestes, The Australian Universities' Review*, vol. III, no. 2, June, 1960, p. 24.

48. NCCUC, *Proceedings*, 1958, pp. 112-15.

49. Ibid., 1959, p. 104.

50. Canada, *Hansard*, July 18, 1959, p. 6393.

51. For a fuller description of contracting out, see J.S. Dupré, "'Contracting Out': A Funny Thing Happened on the Way to the Centennial," *Report of the Eighteenth Annual Tax Conference*. Toronto: Canadian Tax Foundation, 1965, pp. 209-18.

52. See Cyril James, "The Grant Situation in Quebec," in NCCUC, *Proceedings*, 1960, p. 101.

3

The Management of Growth

Enrolment pressures continued to increase through the early years of the 1960s. Sheffield's 1955 projections had long since been overtaken by events, and upward revisions in 1957 and 1959 proved yet again to be too low. One of the major causes of this greater than expected growth was the rising participation rate for women. By 1961, Sheffield was projecting that enrolment in 1964-65 would reach 166,300, fully 37,400 more than in the original 1955 projection. University expansion seemed to be chasing a moving target. Sheffield himself was moved to admit that "... the trend is exponential rather than linear."[1]

What had appeared to Canada's university leaders as a crisis in the early 1950s had become a way of life by the early 1960s. And almost every economic analysis claimed enormous returns could be expected from yet more investment in higher education, both for the individual and society. In its first annual report, for example, the newly established Economic Council of Canada argued that: "... it has become increasingly apparent that the future prosperity of a nation will depend in large measure on its success in creating and maintaining an adequate supply of professional, technical, managerial and other highly skilled manpower."[2]

The experience of real economic growth seemed daily to confirm the veracity of this relationship. It also begged the question of how far federal responsibilities for economic management might warrant involvement in advanced education and training. The political significance of that question would increase with additional federal financial support, but the basis for provincial resistance came also from the provinces' own moves to assume more direct responsibility for managing the growth of their universities.

The Formulation of Provincial Policy

Every provincial government adopted the position that university capacity must be expanded to meet the increasing student demand. None was prepared to limit enrolment to the level of existing capacity, nor even to limit the rate of growth. Indeed, some provinces actively sought to increase potential demand, by increasing the proportion of students completing high school with qualifications appropriate for admission to university.[3]

By the early 1960s it was becoming clear to provincial governments that this position could be maintained only with a much more active provincial presence in the design and financing of universities and colleges. But how would provincial policy be shaped? Here, the rich diversity of Canadian federalism is revealed in the wide array of approaches that emerged. Over the ensuing decade, some provinces would move through two or three approaches. Initially, however, their responses to the challenge of growth fell within three broad categories: continuation of one-university policies, assistance from continuing advisory committees, and establishment of one-time commissions of inquiry. Each of these will be examined in turn.

Continuation of One-University Policies. Two provinces, Newfoundland and Saskatchewan, addressed the task of greatly expanding the number of university places within the institutional framework of a single provincial university, with a monopoly on the granting of degrees. Increasing the number of places would obviously mean expanding the provincial university. The principal questions were thus how large the university should become, and at what cost.

In the case of Newfoundland, the question of how large Memorial should become was answered emphatically by Premier Smallwood: Memorial would become just as large as was necessary to accommodate every qualified Newfoundlander who wanted to attend. Smallwood's memoirs record a telling story of how he pressed this point with the university's second president, Dr. Raymond Gushue:

> ...I disagreed strongly with his view of the number of students ... [Memorial] ought to have. In a public speech, he mentioned the figure 'around 2,000' as ideal. A fortnight or two later, in a public speech, without referring to his remark, I said that I could see no limit to the number.... A month or two afterward, Dr. Gushue made another public speech and repeated his figure of around 2,000. A few weeks following that, I spoke strongly of the Government's policy and intention to limit the enrolment only by the amount of funds that could be made available. I repeated my statement that the figure should be 8,000 or 10,000, or even more! Dr. Gushue made one final attempt, in a public speech, and after that he subsided. The general public was amused by the oratorical contest.[4]

The public was no doubt also well aware of who won the oratorical contest and who, ultimately, determined public policy with respect to the university in Newfoundland.

As for "the amount of funds that could be made available" to support Memorial's physical growth, even Premier Smallwood expressed amazement at what would eventually be committed. When the decision was taken in 1949 to expand Memorial College into a full-service university, Smallwood records that "we knew that it was going to cost about $12 million." Writing in the early 1970s, as construction of the new campus was nearing completion, he observed that "... the cost has escalated to an amount that will be over $100 million."[5]

The scale of Memorial's growth was indeed impressive. The new campus boasted some 1.5 million square feet of buildings, an amount that was expected to double again with the second phase of expansion, including a medical sciences complex, slated for the early 1970s.

The premier's commitment to increasing opportunities for Newfoundlanders to attend Memorial was underscored by the introduction, beginning in 1965, of a radically different tuition policy. For 1965-66, tuition was dropped for all first-year students. Since university incorporated senior matriculation, with high school extending only to Grade 11, this really served only to bring Newfoundland into line with most other provinces. By the fall of 1965, however, Premier Smallwood was able to announce that free tuition for residents of the province would extend to all years at Memorial, beginning in 1966.[6] Indeed, his plan went even further, anticipating that students would actually be paid a "salary," or stipend, while attending Memorial.[7]

Memorial University was from its beginning seen by the government as an instrument of public policy. Much the same applied to the University of Saskatchewan, although there the tradition, perhaps because it was longer, involved less direct government involvement. For example, where the premier himself appointed the president and chancellor of Memorial, this responsibility fell to the board of governors in Saskatchewan. At the same time, however, the Saskatchewan board contained, as *ex officio* members, the deputy minister of education and the deputy provincial treasurer, ensuring a direct channel of communication between government and university.

Saskatchewan was different in another significant respect. While provincial policy held firmly to the concept of a single university, it was a two-campus university, and the growth of the Regina campus in the 1960s posed a major management problem for the University of Saskatchewan and therefore for provincial policy. A new governing structure was put in place in 1961, by which a principal was delegated wide responsibilities for the management of the Regina campus, reporting to the university president. No parallel structure existed for Saskatoon, for which the university president was directly responsible. A further step was taken in 1964, when a separate university council was established for Regina. This gave the university two councils, comprising the faculty and senior administrative officers of each campus. But it continued to have one president, one senate, and one board of governors.

The university's governing structure was thoroughly reviewed during 1964-66. The committee on organization and structure considered, among other issues, the matter of separating the Regina campus. The reasons for preferring the existing arrangement were telling:

> It is assumed that if there were two separate universities, the Government would be forced to establish some form of University Grants Committee to resolve the competing demands of the two institutions. Such a committee would be outside university control and the University would lose the opportunity to deal directly with Government.[8]

In Saskatchewan, as in Newfoundland, determination of government support for the university involved direct negotiations. In Saskatchewan's case, the process was described as follows by the university committee on organization and structure:

> The Board of Governors and the Cabinet meet towards the end of the calendar year, and the Board makes a formal presentation of its needs, with the President acting as spokesman. This is the climax of much planning and study, and the case must be clear and compelling.[9]

Saskatchewan held to its policy of a single provincial university, albeit with growing difficulty. In this, it was abandoned by both of its provincial neighbours. And in both cases, the shift in provincial policy was attendant upon the establishment of an advisory committee or council.

Advisory Committees. Alberta's advisory committee, known as the Survey Committee on Higher Education, was established in 1961, and charged with examining the magnitude of the anticipated demand for admission to university and advising cabinet on appropriate responses. The committee was well placed, both to offer credible advice and to command the attention of the premier and cabinet. It was chaired by the provincial treasurer and included the ministers of education and public works, along with an equal number of university representatives, including the chairman of the board and the president of the University of Alberta and the principal of the Calgary campus.[10]

The survey committee issued a series of interim reports over its four-year life, the first of which, in the spring of 1962, dealt mainly with enrolment. University enrolment in Alberta was projected to more than triple over the ensuing two decades, from 8,891 in 1961-62 to 28,070 in 1980-81. The Calgary campus was expected to absorb proportionately more of this growth than Edmonton. Indeed, enrolment on the Calgary campus would almost double in only four years, and that doubled enrolment would then triple, to reach almost 10,000 students by 1980-81.[11] Not surprisingly, the attention of both the survey committee and the board of governors turned to a consideration of the future status of the Calgary campus.

A significant step toward greater autonomy was taken in 1964 when the Calgary campus acquired its own president and general faculty council (the senior academic body). From that, it was but a short step to outright independence. Just how that step came to be endorsed by the university's board of governors reveals much about university-government relations generally. According to Dr. W.A. Swift, the deputy minister of education and *ex officio* member of the board of governors of the university:

> It seemed to me, having regard to the increasing responsibilities being transferred to Calgary, and the general climate of opinion there, that the time for autonomy had come. Consequently prior to a board meeting I telephoned the chairman of the board, C.M. Macleod, and informed him that it was my intention to raise at the

> meeting the question of autonomy for Calgary. I think this must have been the meeting of 29 January 1964.... In due course I proposed a motion.[12]

The outcome was approval in principle of independence for Calgary, and the establishment of a committee to work out detailed arrangements. That committee's final report was submitted in November 1965 and, in response, the board agreed to propose that "the provincial university's two campuses, at Edmonton and Calgary, become two separate provincial universities, each under a distinctive name."[13]

Meanwhile, the survey committee took another step which facilitated Calgary's autonomy. It proposed that provincial operating support be put on a formula basis. The first step toward this goal was embodied in legislation in 1964, setting the operating grant at $1,275 per student, with provision for adjustment from time to time (it was raised to $1,365 for 1965). The same legislation, the University and College Assistance Act, also provided for a capital development committee to review and approve proposed building projects.[14] With these provisions in place, the provincial government was in a position to deal with a second university with apparent even-handedness.

By 1965 the survey committee had joined the university board of governors in recommending that Calgary be given full university status. This was accomplished under the Universities Act of 1966, which split the Calgary campus (including the school of fine arts in Banff) off from the University of Alberta as the University of Calgary. The act went one significant step further, however, authorizing the government to create additional universities, by order-in-council. The possibility of additional universities had been anticipated in the survey committee's final report in 1965. It proposed that both the Calgary and Edmonton campuses not grow beyond the current projections of 18,000 students each (up considerably from the earlier projection), and consequently that early consideration be given to an expansion of university work at Lethbridge.

Manitoba came to a position remarkably similar to Alberta's, although it arrived there by a slightly different route. This may partly reflect the fact that its one-university policy had from the beginning differed from both Alberta and Saskatchewan. Brandon College, although affiliated with the provincial university since severing its denominational connections in 1939, had always been more of a separate institution than a second campus, and had long aspired to degree-granting status. And with the relocation in 1956 of both St.

John's College (Anglican) and St. Paul's College (English-language Catholic) to the Fort Garry campus of the University of Manitoba, United College was left alone and distinctive on its downtown site (Collège Saint-Boniface, the fifth affiliate, also remained physically separate, but with limited potential for growth).

In 1965 the government established the Manitoba Council on Higher Learning, composed of eight appointees of the university, five members appointed respectively by the affiliated colleges, and three provincial appointees. While its terms of reference were to advise the government "... on the best lines of development for the universities and colleges in the province,"[15] there was some concern within the University of Manitoba that it might become virtually a new governing authority for the multi-college institution. Hugh Saunderson, then president, reveals that:

> Our Board of Governors ... expressed the hope that the new body would in no way interfere with the University's right to direct access to the Government in dealing with such matters as finance and legislation and this was recognized. It was not to be a superboard ....[16]

The outcome was quite the contrary. Within a year, the council had recommended that both Brandon and United become autonomous universities. The upshot was the 1966 Universities Establishment Act which did not actually establish additional universities, but followed Alberta in authorizing the government to do so by order-in-council (Manitoba's act received royal assent on April 27, 1966, 12 days after Alberta's). In 1967 two colleges were elevated to university status under this provision. Brandon College became Brandon University, while United became the University of Winnipeg (the three remaining colleges entered into more formal arrangements with the university in 1968, described as "a community of colleges" in the case of St. Paul's and St. John's).[17]

Meanwhile, Ontario was also relying on an advisory committee as it moved, cautiously, toward a coherent policy with respect to university expansion. Ontario had, in fact, taken the first step as early as 1951 when, faced with six provincially supported universities (including Hamilton College within McMaster and the faculty of medicine within the University of Ottawa) as well as federal support to all of its 13 universities and colleges (including the three federated colleges of the University of Toronto), Premier Leslie Frost invited Dr.

R.C. Wallace, just retired as principal of Queen's, to serve as his special adviser. According to W.G. Fleming, Frost "... valued Wallace's advice very highly, but found him too gentle to crack the whip" over the universities.[18]

When Wallace died in 1956 he was replaced by J.G. Althouse, chief director of education (the equivalent of deputy minister), who died shortly thereafter and was in turn replaced by Hon. Dana Porter, attorney general and former minister of education. After 1958, the advisory function was assumed by a committee of senior civil servants, chaired by the chief director of education, and including the comptroller of finance, the provincial auditor and the deputy minister of economics.

In advising the government on the financial needs of the provincially supported universities, the committee undertook line-by-line reviews of institutional budgets, in order to fix the size of the "deficits" between anticipated revenues and expenditures that would then be forwarded to the premier as the recommended grants.[19]

In 1961, the committee was reorganized, expanded, and renamed the Advisory Committee on University Affairs. Chaired by Hon. John P. Robarts, minister of education, it also included Dana Porter, now the chief justice, the deputy minister of economics and three prominent business leaders. When Robarts became premier later the same year, his place on the committee was taken by his predecessor, Leslie Frost. At the same time, Dana Porter assumed the chair. Frost remained a driving force in university policy, and a key member of this committee and its successor, until his death in 1973.

The advisory committee played a central role in charting Ontario's response to the massive enrolment growth anticipated for the 1960s. Its first step was nothing if not pragmatic, and this pragmatism in itself reveals much about the character of Ontario's policy toward its universities. In March 1962 the committee, apparently on the urging of Leslie Frost, invited the presidents of the provincially supported universities, now numbering 10, to meet and consider a joint planning effort with the committee. The presidents accepted the invitation, subsequently styling themselves the committee of presidents of provincially assisted universities.[20] Paul Axelrod has suggested that, through this invitation, "what Frost and the committee had succeeded in doing was to turn the responsibility of planning back to the universities themselves."[21]

The impetus for a more serious planning effort came from enrolment projections prepared at the request of the advisory committee by Dr. R.W.B. Jackson, head of the department of educational research of the Ontario College of Education. Jackson actually prepared six projections, reflecting different participation rates within the 18 to 21 age group. His conclusion was that enrolment might increase from its 1961-62 level of 31,800 to as much as 112,400 by 1971-72, an increase of 253 per cent in 10 years.[22]

For their part, the university presidents delegated the task of preparing a response to the Jackson projections to a sub-committee chaired by Dr. John Deutsch, vice-principal of Queen's.

Deutsch and his committee worked with amazing speed. Their report, *Post-Secondary Education in Ontario, 1962-1970*, was in the hands of the advisory committee on university affairs by May 1962. It minced few words in coming directly to the central issue of expansion: ". . . we face an unremitting expansion, of spasmodic intensity, with no contraction in sight in the foreseeable future, and with major crises just three and four years ahead."[23]

The universities themselves, including the new ones, had expansion plans that would accommodate some 58,000 undergraduates by 1970. The advisory committee persuaded them to increase this to 74,000 (York, for example, saw its projected enrolment almost doubled). If Jackson's projections were accurate, however, this would still leave the province short some 16,000 places by 1966, and between 20,000 and 30,000 by 1970. There was precious little time to plan for this further expansion, and one cannot help but sympathize with Dr. Deutsch and his colleagues when they observed that "the committee . . . has been asked to do in a few weeks what should have been in hand for several years . . . ."[24]

The committee considered several alternative approaches, including both the addition of a fourteenth year to the secondary school program and the removal of Grade 13, along with the first year of university, to two-year colleges. The junior college idea was rejected as inherently unstable. The committee concluded that either: ". . . they would be regarded as an inferior substitute for degree-granting institutions and would fail to win public acceptance, or else . . . there would be an overwhelming demand to add a third year and grant a degree."[25]

Instead, the committee proposed the establishment of both "city colleges," or expanded technical institutes, and additional three-year, undergraduate liberal arts colleges, each associated with one of the established universities. These might, over time, develop into autonomous institutions. Three such colleges were specified: two in metropolitan Toronto (one in the west and one in the east) to be affiliates of the University of Toronto, and one in the Niagara peninsula to be affiliated with McMaster. If still further undergraduate places were required, the committee suggested arts courses might be added to the Ontario Agricultural College in Guelph, although it cautioned that this could place an enormous strain on the University of Toronto, with which the college was affiliated.

All of this might meet the physical demand for additional university places, but it would do nothing to provide instruction unless accompanied by a massive increase in university staff. As the committee observed in its typically direct fashion: "We shall have 20,000 more undergraduates in 1965, and no matter what kind of institution we put them into, someone will have to teach them."[26] The committee estimated that an additional 2,400 faculty positions would be required by 1965—just three years hence—and fully 5,800 by 1970. To meet this requirement, the committee recommended: "... a 'crash programme' in graduate studies, a virtual doubling of the graduate school enrolment in Ontario universities within the next few years."[27]

The "Deutsch Report" became the effective blueprint for the expansion of Ontario's university system through the 1960s. In the course of the next year, almost all of its major recommendations were implemented. The government not only provided additional funds for the expansion of graduate programs, but it introduced the province of Ontario graduate fellowship program for 1963-64, "... hailed as the most imaginative programme of student aid undertaken by government anywhere on this Continent."[28] Graduate students, primarily in the humanities and social sciences, were offered grants of $1,500 for eight months of study (plus another $500 if work continued through the summer).

The government also followed, at least in part, the approach proposed for expanding the number of institutions. A community group in the Niagara region was given official encouragement, as was another in Peterborough. As a result, Trent University in Peterborough was expected to admit its first students in September, 1964 and Brock University, in St. Catharines, a year later. Significantly, however, these institutions would not begin as affiliates of established universities, but as autonomous universities in their own right.[29] In contrast, the University of Toronto did accept the invitation to create satellite colleges in the eastern and western suburbs of metropolitan Toronto. In due course, Scarborough College was opened in 1965, and Erindale, in Mississauga, in 1967.

The idea of adding arts work to that in agriculture was also accepted for Guelph, a decision apparently made entirely in Toronto. Its announcement by the premier in February 1963 came as a complete surprise to college officials in Guelph.[30] The groundwork for this had already been laid in 1962 when three institutions operated by the Department of Agriculture in affiliation with the University of Toronto—the Ontario Agricultural College, the Ontario Veterinary College and the Macdonald Institute (home economics)—were brought together under a single board and president as "the federated colleges" of the Department of Agriculture. Considerable expansion was planned, and in 1964 the entire enterprise, including an arts college, became the autonomous University of Guelph.

At much the same time, Lakehead College of Arts, Science and Technology in Port Arthur (now Thunder Bay) had acquired effective university status in 1962, with the power to grant degrees, and acquired the name in 1965, as Lakehead University. Interestingly, the Ryerson Institute of Technology in Toronto took a different route. In 1963 it became the Ryerson Polytechnical Institute, with its own board of governors but without degree-granting powers. Finally, the University of Ottawa dropped its denominational character in 1965 and thereby qualified for full provincial support as a public university.

This brought to 14 the number of provincially supported universities in Ontario.[31] In a major statement to the provincial legislature in March 1963, Premier John Robarts indicated that no further universities were being considered, and described the growth to date as "the greatest university expansion in any comparable jurisdiction in America."[32] Ontario had managed to keep ahead of demand, with the result that "no student has been turned away from our universities because of lack of accommodation."[33] And in a statement that said much about the degree to which universities had been brought within the ambit of public policy, Robarts made it clear that the government was not about to have its accomplishment frustrated by institutional decisions on admission standards:

> ... the government does not look with approval on any university requiring unreasonably high standards of admission. It is our viewpoint that the admission standards should be moderate and

> reasonable and such as to enable the average student to proceed to a degree. I feel that a flexible standard somewhere between 55 and 60 per cent, depending on the type of course, should define what I mean by "the average student".[34]

If Ontario was moving inexorably toward greater government control of university policy, it was doing so without any clear or precise sense of where it was going, and certainly without a master plan. Government policy continued to be pragmatic and reactive, preserving the "delicate balance" between its responsibility to account for the expenditure of public funds and the universities' need for autonomy.[35] This balance was nicely maintained through the combination of three structural changes put in place in 1964.

In the first change, Ontario established Canada's first Department of University Affairs. Its minister was Hon. William G. Davis, also minister of education, while the deputy minister was J.R. McCarthy, long-time secretary to the University Committee and its successor, the Advisory Committee on University Affairs.

The second change was closely associated with the first. It involved the creation of a unique Crown corporation, the Ontario Universities Capital Aid Corporation. Its purpose was to spread the capital costs of university expansion over a period of years, and it operated by purchasing university debentures for approved capital projects, with the cost of amortizing the debentures (usually over 30 years) covered by annual operating grants.

If both these steps could reasonably be seen as strengthening government control, the third change had the opposite effect. This involved the reorganization and expansion of the advisory committee. Now known simply as the Committee on University Affairs (CUA), it had 11 members, six continuing from the predecessor committee, and five new members all closely associated with universities. This went a considerable distance toward meeting the universities' demands for a British-style university grants committee as a "buffer" between the government and themselves.[36]

Nova Scotia had already, in fact, established just such a buffer agency, the first in Canada. Nova Scotia's three-person University Grants Committee (UGC) was established by order-in-council in January 1963. It was chaired by Dr. N.A.M. MacKenzie, a Nova Scotian by birth and just retired as president of the University of British Columbia. He was joined on the committee by a local surgeon and the provincial deputy minister of finance.

The establishment of the UGC marked a major change in provincial policy. It signalled the province's intention, after a hiatus of 82 years, to provide general operating support to its colleges and universities. The provincial government had not, of course, withdrawn entirely from the field of higher education. In lieu of support to private institutions, several provincially operated colleges had developed, including the Nova Scotia Agricultural College in Truro and the Nova Scotia Technical College in Halifax. Full operational responsibility for the technical college had been turned over to its board of governors in 1963, but the college continued to be funded directly by the province. Modest grants were also made through several provincial departments to support specific professional programs, mostly offered by Dalhousie but also including teacher-education programs at several universities. By 1962-63, this support amounted to some $1 million.

In contrast to this ad hoc pattern of program-specific support, the premier and minister of education, Robert Stanfield, took advantage of an unexpected, lump-sum increase in federal equalization payments to create a special reserve fund of $3.5 million in 1963, to be apportioned on the advice of the UGC. For its part, the UGC prepared a series of enrolment projections and set about to ascertain the needs of the 13 institutions coming within its terms of reference.[37]

These terms of reference were very broad. Not only was the committee to advise the government "... as to the financial support it should afford to ... universities and colleges ...," but it was also to advise: "... as to means whereby duplication of university or college courses and facilities may be eliminated without interfering with the independence of the universities or colleges ...."[38]

The UGC presented three interim reports and a final report during 1963. The interim reports set out the proposed grants, which were developed in two stages. The first, submitted in May 1963, involved flat grants of $113 per student for each institution ($750,000 in total), plus a capital grant of $500,000 to Dalhousie to start work on a new medical building. The second stage came in December, when the UGC recommended another $200,000 in operating grants. This time, however, the grants were not based on enrolment, but were designed "... to take into account the relatively high cost of providing higher education in the professional schools and in graduate studies."[39] Not surprisingly, most of the additional money went to Dalhousie and the technical college (64 per cent and 20 per cent respectively). By the end of 1963, the committee's recommendations, all accepted by government, had more than doubled the level of provincial support.

The recommendations set out in the committee's final report for 1963, entitled *Higher Education in Nova Scotia*, went further than increased financial support. Observing that institutional plans called for enrolment growth that would fall short of provincial projections by some 5,000 by 1972-73, it urged several universities, and particularly Acadia, Saint Francis Xavier and Saint Mary's, to increase their planned expansion. The report was careful to insist, however, that these institutions should continue to concentrate their work at the undergraduate level. Professional programs and graduate studies, especially at the Ph.D. level, should continue to be concentrated at Dalhousie (as well as the technical college in engineering).[40] The committee saw no need for the establishment of any new institutions in Nova Scotia.

The UGC survey also highlighted the extent to which Nova Scotia's universities and colleges were educating Canadian students from outside the province. Nova Scotia shared this phenomenon with New Brunswick, and it mostly reflected the attractiveness of small colleges with relatively low admission requirements to prospective students from central Canada. It was this in-migration of students that explained why Nova Scotia's universities received such relatively low per student grants from the federal government. Overall, fully 40 per cent of the 8,000 students attending university or college in Nova Scotia in 1962-63 came from other provinces.[41] The committee considered this a serious problem for a provincial government moving to assume increased financial responsibility for the universities, but suggested only that ". . . the question of an additional contribution by students from outside the Atlantic Provinces, over and above standard fees, might well be given consideration."[42] The government declined to pursue the suggestion of out-of-province fees, a position it has stuck to ever since.

By 1965 the UGC's recommendations had exhausted the special reserve fund, and the government moved to regularize the entire arrangement, placing it on a firm legislative foundation. The outcome was the short but comprehensive University Assistance Act. Under its provisions and subsidiary regulations, the UGC was continued with an increased membership (now five, plus a secretary). Operating grants would henceforth be drawn from the consolidated revenue fund while capital grants, now involving the purchase of university debentures as in Ontario (but without a Crown corporation), were expanded to cover up to 90 per cent of the approved cost of a project.

The more active role of the provincial government also brought forth a more organized response from the universities themselves. In 1964 the Association of Atlantic Universities (AAU) was established which, despite its name, comprised most of the institutions in the three Maritime provinces, but not Memorial in Newfoundland (it would join in 1967). This reflected not only the tradition of interprovincial cooperation in the Maritimes, but also provincial policy developments in New Brunswick and Prince Edward Island. Those provinces, however, joined British Columbia and Quebec in relying, not on advisory committees, but on more formal commissions of inquiry.

***Commissions of Inquiry*.** The first of the four commissions was also by far the most comprehensive. In February 1961, Quebec established the Royal Commission of Inquiry on Education, with wide scope "... to study the organization and financing of education ... and ... [make] recommendations as regards measures to be taken to ensure the progress of education in the Province."[43] This came as the culmination of a barrage of legislation affecting education, sometimes referred to as the Magna Carta of public education in Quebec.[44] The commission consisted of seven members, mostly educators or people with educational experience, plus Msgr. Alphonse Parent, the vice-rector and former rector of Laval as chairman, and Arthur Tremblay as associate member. This latter appointment provided a crucial link between the commission and the government, as Tremblay served simultaneously as special adviser to the newly appointed minister of youth, Paul Gérin-Lajoie, who reported to the legislative assembly on matters related to education.[45]

The first volume of the Parent commission report was submitted in April 1963. It was not only a brilliant piece of policy analysis but also reflected a quite amazing consensus, given the size and cultural diversity of the commission. After a brief historical review and outline of the current crisis facing education in Quebec, the report laid out, simply but with compelling logic, the principles that should guide future developments and the structural changes needed to promote these principles. The first volume was thus the key to the entire report; subsequent volumes would amplify the implications of the proposed principles for various functional areas (curriculum, finance, etc.) and the several levels of education (elementary, secondary, higher).

The report posed three "universal" goals for education, all of them emphatically democratic in nature: ". . . to afford everyone the opportunity to learn; to make available to each the type of education best suited to his aptitudes and interests; to prepare the individual for life in society."[46]

It then translated these goals into two organizational principles. "Education for all," the report argued,

> . . . presumes that a student will not encounter too many dead-ends as he moves vertically from the public schools to advanced studies. It likewise presumes that on the horizontal level he can pass without difficulty from one institution to an equivalent grade in any other . . . .[47]

The coordination implicit in these principles was quite simply beyond the capacity of private institutions: ". . . only a strong and forthright authority can put the house in order."[48]

This "strong and forthright authority," not surprisingly, would have to be the state, and the report then set forth the three key elements that should constitute the reorganized provincial presence in education: a minister of education to give political direction to the system, a ministry to provide central planning and coordination for a decentralized institutional delivery system, and a single representative council to provide advice from parents, educators and religious groups.

The government lost little time in pursuing the report's recommendations. Within two months Bill 60 was introduced, to create the proposed integrated provincial structure. The bill ran into considerable opposition, particularly from the classical colleges, and was withdrawn shortly after its introduction. There followed several months of intense consultation, public discussion, and negotiation, with Gérin-Lajoie playing a central role, and with the result that when revised legislation was introduced in January 1964 it was quickly passed.

While the revised legislation did give greater scope to private institutions, it retained the central principle of provincial planning and coordination. A ministry of education was established, combining the former ministry of youth and the department of public instruction (with components of other ministries with educational responsibilities), with Paul Gérin-Lajoie as minister and Arthur Tremblay as deputy minister. One of the principal units in the new ministry was the direction générale de l'enseignement supérieur (DGES), with responsibilities related primarily to data gathering and reporting. At the same time as the provincial government was assuming a more active role, the universities were evolving their own cooperative mechanism for dealing with it, forming the association that would shortly become the Conférence des recteurs et des principaux des universités du Québec (CREPUQ): "to make recommendations to the provincial government with respect to the manner of distributing grants to universities, and for discussion of organizational problems facing Quebec universities."[49]

The structure was rounded out by the Conseil supérieur de l'éducation, a broadly representative advisory body to the minister. One of its components was a commission on higher education. Then, in November 1964, the next two volumes of the Parent commission report were released.

These two volumes recommended a wholesale reorganization of the entire educational structure of the province. Following kindergarten, the elementary program would be reduced to six years, followed by a five-year secondary program, ending at Grade 11. At that point, two-year "pre-university and vocational" programs would be provided in what were simply called "institutes." This pattern was proposed for all students, with the result that university work would begin after 13 years, two years earlier than was currently the case for those completing the baccalauréat ès arts in a classical college, and up to two years later for those currently entering an English-language university after public high school.

It was unquestionably a proposal for radical reform, but it was also logically consistent with the commission's basic principles. Indeed, the standardization embodied in these principles was made even more precise:

> - studies at the same level and of the same duration should lead to equivalent diplomas
> - institutions offering the same studies should be known by the same name
> - all teaching should lead toward instruction at a higher level, including that required for the doctor's degree
>
> ....
>
> - the number of years of study required between the beginning of elementary education and admission to the university should be identical for a given discipline in all universities.[50]

And with that, the foundation underpinning the classical college, and indeed the entire structure of Quebec's traditional and unique system of higher education, gave way.

While the proposed "institutes" occupied centre stage in the commission's proposed postsecondary system, the universities were certainly not neglected. Here, the commission called for a radical rethinking of the nature of a university and higher education:

> . . . we believe that all instruction . . . that comes after the thirteenth year . . . must be defined as a part of higher education. It has not been the custom to define higher education in this way, since it has been generally considered as education of a certain type or a certain quality, reserved for a very small minority of students. We believe that it should rather be defined as a level of studies, whatever their content.[51]

One anticipated consequence of both the change in thinking and the institutional restructuring proposed by the commission was a much faster rate of growth for francophone universities. This would result in part from an increase in the proportion of francophone students proceeding to university, attendant upon the increased accessibility afforded by the institutes. It would result in part also from the simultaneous transfer of two additional years of work from classical colleges into the francophone universities, and of at least one year's work out of the anglophone universities into the new institutes. Thus, while total university enrolment in Quebec was projected to increase 1.5 times between 1960-61 and 1971-72 and three times by 1981-82, enrolment in francophone universities was expected to increase at more than twice those rates (four times by 1971-72 and almost seven times by 1981-82).[52] The most critical period would begin in just two years. Starting in 1966-67, ". . . the French-language universities must prepare to receive twenty-two thousand new students within five years."[53] Based on current plans for expansion at Laval, Montréal and Sherbrooke, there would be a gap of some 17,000 to 19,000 places by 1971-72.

New universities would clearly be required, but the commission offered two caveats to constrain their establishment. First, the commission argued that it was not necessary ". . . to establish a university with an unlimited charter every time there is need for a new institution at the university level."[54] The alternatives proffered included both "limited charter" universities, offering undergraduate programs only, and "centres of university studies," offering one or two years of university work in affiliation with an established university. Second, any new institutions should be publicly controlled: "... the state should no longer entrust to a private group control over a university when this university is largely financed by the state."[55]

With that, the commission addressed the evident need for additional facilities in Montreal, as well as the pressure for universities in such communities as Trois-Rivières, Chicoutimi, and Rimouski. In the case of Montreal, the commission had been presented with proposals for two new universities to be operated by the Jesuits, one French and one English. The commission accepted the need for two new institutions but rejected the proposed sponsorship, suggesting instead that two public, limited-charter universities be established, absorbing various existing institutions, including those operated by the Jesuits. In the case of Trois-Rivières, Chicoutimi, and Rimouski, the commission suggested that regional centres of university studies be established in affiliation with one or more existing universities.

Like the initial volume of its report, these recommendations were destined to have profound consequences for higher education in Quebec. In the meantime, a second royal commission was grappling with the prospects of an explosion in enrolment within the context of linguistic duality, this time in the neighbouring province of New Brunswick.

New Brunswick's three-member commission was appointed in May 1961 and reported 13 months later. It was chaired by Dr. John Deutsch of Queen's who, in the latter months of the commission's work, was simultaneously chairing Ontario's key planning committee.

By this time, New Brunswick had six universities, three giving instruction in English (the University of New Brunswick, Mount Allison and St. Thomas) and three in French (Saint-Joseph in Moncton and Memramcook, Sacré Coeur in Bathurst, and Saint-Louis in Edmunston). Three more French-language colleges were affiliated with Saint-Joseph, while a citizens group in Saint John was busily seeking a seventh university charter for that city. To complicate matters further, more than half of all the students attending these institutions came from outside the province. UNB was ostensibly the provincial university, but the manner of its financing suggests it operated some distance from the centre of provincial policy concern:

> Although the Province's regular operating grant to the University had increased considerably in recent years, the rate of increase has not been sufficient for the University to maintain a balanced

> budget. Consequently the Province has been required to continue the practice of providing considerable supplementary assistance through absorption of the University's annual deficits. In 1959-60 . . . the Province absorbed a deficit of $246,000.[56]
>
> . . . .
>
> Under . . . [this] arrangement the University appears, on the one hand, to proceed from year to year without any realistic requirement to conduct its operations within the framework of a balanced budget and, on the other hand, is required to carry on without any real assurance of the degree of support which it may expect.[57]

The Deutsch commission's prescriptions called for a massive dose of institutional centralization. Leaving Mount Allison aside, it proposed that university work be consolidated into two provincial universities, one English and one French. The University of New Brunswick would continue to fulfil this role on the English side. As for Chatham's St. Thomas University, its work ". . . could be most conveniently and most effectively carried on at Fredericton in federation with the University of New Brunswick," while ". . . the Saint John area would be better served through establishment of a full-time branch of the University of New Brunswick."[58]

On the French side, the commission reached a similar, if even more urgent, conclusion: "The necessary improvement of higher education for the Province's French-speaking residents can be expected to flow not from continued dispersion, but rather from a very considerable concentration of efforts."[59]

And with that, the commission proposed the establishment of the Université de Moncton, drawing the other institutions into affiliation in the traditional model of Quebec's universities and affiliated classical colleges.[60]

This institutional consolidation and expansion would have to be supported by increased provincial financial support, and here the Deutsch commission introduced a principle unique in Canadian experience:

> The Commission has been impressed with the advantages to be found in the British method of scheduling assistance for a five-year term . . . [and] believes that higher education in New Brunswick would benefit from adoption of a similar method for Provincial Government assistance.[61]

The formula proposed for this five-year financial regime came in two parts. First, a flat grant to cover fixed, or overhead, costs would be set for the five-year period and paid annually. Second, an enrolment grant would be calculated and paid annually, set initially at $300 per student for 1962-63 and increasing by $30 per year, to reach $420 in 1966-67. An independent commission would then review the level of support and recommend a new arrangement for the subsequent quinquennium.

The commission also addressed the problem created by such a large proportion of out-of-province students. The provincial government could not be expected to remain oblivious to this situation while assuming responsibility for a much larger share of institutional costs. In contrast to the Nova Scotia University Grants Committee, the Deutsch commission did not advocate higher fees for out-of-province students. Its solution was subtler but equally direct: calculate the enrolment-driven grant on the basis of New Brunswick students alone. In managing the ever-delicate balance, this would nicely limit the provincial government's increased financial obligations to New Brunswick students while preserving institutional control of admissions. When it finally grappled with this issue, the government chose instead to set limits on the number of out-of-province students at each institution that would qualify for provincial support (effectively freezing the numbers at existing levels).

The major recommendations of the Deutsch report were quickly implemented, including the proposed five-year financial arrangement. In August, despite considerable opposition from local groups and alumni, the president of St. Thomas University, Msgr. Duffie, announced that his institution: "... has accepted and accepts unequivocally and without reservation, the recommendations of the royal commission on higher education in New Brunswick, and will co-operate with everyone concerned in their fulfilment."[62]

With that, negotiations began that would culminate in 1964 in the relocation of St. Thomas to the Fredericton campus as a federated college of the University of New Brunswick. In the same year classes commenced on the Saint John campus of UNB, initially at the junior college level.

Meanwhile, in June 1963, almost exactly a year to the day that the Deutsch Report was released, royal assent was given to an act creating the Université de Moncton. The three former French-language universities entered into affiliation with the new institution, suspending their degree-granting powers and becoming the constituent units of the faculty of arts of the new university.[63]

At about the same time that the Deutsch commission was reporting in New Brunswick, another commission was being established in British Columbia. This was a very different kind of commission, however. Not only was it not royal by designation, but it was initiated by its own commissioner and not by the provincial government. But if its origins were different and its authority uncertain, its significance for provincial policy was no less profound.

When John B. Macdonald replaced N.A.M. MacKenzie as president of UBC in the summer of 1962, he set about almost immediately to review higher education in the province and to prepare a comprehensive plan for future development. His report, published in December 1962, called for a substantial decentralization of higher education, and the abandonment of the province's one-university policy. Otherwise, enrolment at UBC could be expected to increase to nearly 30,000 by 1970, a situation that Macdonald considered would be "an educational disaster."[64] There were at the time only two public institutions in the province, UBC and Victoria College. The latter, still formally affiliated with UBC, had grown by 1961-62 to some 1,700 students. Enrolment at UBC in the same year stood at just under 13,000. There were also three small denominational colleges offering one or more years of university work. Notre Dame College in Nelson, with 231 students, had just expanded its program to four years and switched its affiliation from Gonzaga University in Spokane, Wash., to St. Francis Xavier in Antigonish, N.S. Prince George College, also Catholic, offered only Grade 13 at the time (the equivalent to the first year of university) but had plans to offer second-year work as well by 1963. Finally, Trinity Junior College, in Langley, B.C., was operated by the Evangelical Free Church of America, and offered a two-year program. Prince George and Trinity, both established in 1962, were tiny institutions; Prince George had 16 students, and Trinity had 17.

Macdonald's proposals, confined to the public sector, involved a three-tier structure of higher education for the province. There would be one university, two four-year degree-granting colleges, and seven two-year regional colleges combining academic and vocational programs. UBC would continue as the province's only full-service university, while Victoria ought to be offered "... the privilege of deciding to become an independent degree-granting college."[65] A second four-year college, what the Parent commission in Quebec would have called a "limited charter" university, would be required immediately to serve the rapidly growing lower Fraser Valley area: "This institution, and this institution alone, can most effectively alleviate the demand for undergraduate education on the Point Grey Campus [of UBC]."

The two-year colleges would be established jointly by the provincial government and local school boards to serve regional communities throughout the province. They would provide a less costly, but more accessible alternative to the universities and four-year colleges. The problem of ensuring comparable standards, and therefore successful transfer to more advanced university work, would be solved not through affiliation with a university or degree-granting college, but by a provincial academic board charged with power to grant or withhold academic accreditation. A separate grants commission would then advise government of the financial needs of the system and distribute provincial grants to the individual institutions. Macdonald suggested that the commission consist of an equal number of members nominated by the institutions affected and the provincial cabinet, with both the grants committee and the academic board to be chaired by the same person.[66]

The government moved with considerable speed to implement the bulk of Macdonald's recommendations. The 1963 Universities Act was the first of its kind in Canada, setting out in a single statute the powers, responsibilities and internal structures of three provincial universities: the University of British Columbia, the University of Victoria, and Simon Fraser University. It did not, however, limit the academic responsibilities of the latter two, as Macdonald had proposed. Victoria and Simon Fraser would be both independent of and legally equal to the University of British Columbia.

It was one thing to legislate the legal existence of a new university; it was quite another to bring it into actual operation. Gordon Shrum, former head of physics and general facilitator for N.A.M. Mackenzie at UBC, and subsequently chairman of B.C. Hydro, has recorded in his memoirs the telephone call he received in May from Premier W.A.C. Bennett: "You know, we've got the Macdonald Report and we've accepted it and I want you to be chancellor of the new university. Select a site and build it and get it going. I want it open in September 1965."[67]

And he did just that! Simon Fraser University, on a magnificent site atop Burnaby Mountain, admitted 2,500 students in September 1965 to an innovative undergraduate program organized on a trimester basis.

The provincial government also moved on Macdonald's recommendation to establish two-year colleges, amending the Public Schools Act in 1963 to authorize school boards to cooperate in establishing such colleges on a regional basis. Moreover, Macdonald's proposed academic board was established, made up of two members appointed by each of the three university senates and three members appointed by the government. It was assigned the responsibility of examining and reporting upon academic standards, and generally advising on the orderly development of both the universities and the regional colleges. By 1964 a financial advisory board was also in place, its purpose to advise the government on the financial needs of the higher education system and on the distribution of grants to the constituent institutions. Dr. Sperrin Chant, just retired as dean of arts at UBC, chaired both committees.

In a move not recommended by the Macdonald report, the province, under private legislation, elevated Notre Dame College to university status. All in all, 1963 was a hectic legislative year so far as higher education was concerned:

> In one year of unparalleled activity in higher education, the province had received the Macdonald Report and its Government had launched two new universities, had raised a private institution to university status and had created the legislative framework for regional colleges.[68]

By the end of 1965, the first of the two-year colleges had opened in Vancouver (Vancouver City College) and planning for two others was well advanced.

By this time the last of the four provincial commissions of inquiry had also reported. Prince Edward Island's Royal Commission on Higher Education, appointed in July 1964, reported in January 1965. It was chaired by J.S. Bonnell, a retired Presbyterian minister from New York (but born on the island). One of the other two members was Dr. N.A.M. MacKenzie, and the third was Dr. Joseph McMillan, a local surgeon.

Prince Edward Island had two university colleges. St. Dunstan's had full university powers but, as a denominational institution, it received no financial support from the provincial government. Prince of Wales, on the other hand, was a provincial institution but it lacked the power to grant degrees and provided only the first two years of university work (it also provided instruction at the high school level).

Just before appointing the royal commission, the provincial government had enacted legislation granting degree powers to Prince of Wales under its own board of governors. The act had not been proclaimed, however.

The royal commission was cautious in approaching the thorny issues raised by religious and linguistic duality in this small provincial community. It noted that "in the minds of not a few persons the idea is cherished of the eventual creation of a University of Prince Edward Island,"[69] but it refrained from recommending that the province establish such an institution immediately. Rather, it proposed that the Prince of Wales College Act be proclaimed and that the two colleges cooperate with each other, as "the best possible preparation for some later form of federation, if this should be found desirable and feasible."[70]

For its part, the government proceeded with the proposed line of development, proclaiming the new Prince of Wales act and extending provincial grants to St. Dunstan's on the same basis as to Prince of Wales (at $300 per student). For their part, the two universities showed little sign of active cooperation. By 1966, after two joint meetings, the boards of governors had agreed to appoint a committee to study areas of possible cooperation.[71] If this was the best preparation for federation, as the Bonnell commission had argued, it was a very tentative one indeed. A subsequent commission would observe that "... movement toward federation was imperceptible."[72] Perhaps it ought not to have come as a surprise, although it clearly did to some, that the provincial government might grow impatient with the studied independence of the two institutions.

The Prince Edward Island government was by no means alone in this impatience. In Ontario, for example, the minister of university affairs, Hon. William Davis, served notice that his government was no longer content to allow respect for academic freedom and institutional autonomy either to dictate or to frustrate public policy objectives. In his Frank Gerstein Lecture at York University in 1966, Davis faced the delicate balance of government-university relations head on:

> The dilemma ... is to find a way by which universities can fulfil their obligations to society, gain the necessary degree of financial support to permit them to do so, and yet retain the degree of independence which they have come to know, and indeed, to cherish, over the years.[73]

University claims for independence, however cherished, "cannot be defended simply as traditions .... If traditions cease to be consistent with the needs of the times, there is no merit in retaining them for their own sake. Society, which to a large extent has created our universities and which supports them, must in turn be served adequately by them."[74]

Institutional autonomy, Davis declared:

> ... is to be desired only if the universities themselves are able and willing to assume the high degree of responsibility that goes with it.
>
> ....
>
> Such responsibility involves an awareness that the ambitions and desires of a given institution, faculty, or department within a university may have to be tempered by the over-all requirements of society. **It demands greater co-operation and co-ordination among universities than we have ever known before**.[75]

Hardly had Davis spoken when a joint university-government commission presented a forceful case for coordination and a radical proposal for achieving it. The commission, established by the CUA and the committee of presidents of provincially assisted universities and chaired by the president of the University of Saskatchewan, Dr. J.W.T. Spinks, was actually charged with studying the development of graduate education in Ontario. But it went much further than this. "The most striking characteristic of higher—not only graduate—education in Ontario," the commission concluded, "... is the complete absence of a master plan, of an educational policy, and of a co-ordinating authority for the provincially supported institutions."[76]

The CUA "... is quite unsuited to deal with a task of this magnitude."[77] "We therefore recommend in the strongest terms that a Provincial University of Ontario be established."[78]

Whatever Davis had intended in urging greater coordination and cooperation, it apparently did not extend this far. In the face of widespread opposition to the Spinks report, he quickly confirmed that Ontario had no intention of creating a single provincial university.

Davis had raised another aspect of coordination in university policy in his Gerstein lecture. Not only must universities work more closely together, but this spirit of cooperation must extend also to intergovernmental relations. In recognizing a federal dimension to higher education, however, the Ontario minister and future premier served notice that "... any federal action must be taken as part of an integrated approach to higher education—an approach in which provincial policy is paramount."[79]

The Federal Dimension

Higher education has long served as a kind of weather-vane of Canadian federalism, signalling the direction in which the winds of intergovernmental relations are blowing. As we have seen, it was in relation to agricultural education that the first federal-provincial shared-cost program was introduced, and it was federal grants to universities that gave rise to the first instance of contracting out.

The contracting out arrangement of 1959-60 seemed initially to point more to the singular status of Quebec than to a general decentralization of fiscal power and spending responsibilities. It would take several years before that trend was apparent and, again, higher education would play a central role in marking the change. In the meantime, the federal government continued to play a major, indeed expanding role in the support of universities. The core program of federal support continued to be the per capita grants to universities.

Per Capita Grants. The value of the federal per capita grants had been doubled to $1.00 for 1956-57, increased to $1.50 for 1958-59, and was increased again to $2.00 for 1962-63. With enrolment increases, however, the value of the grants to the universities had not grown so dramatically. On a per student basis, the grants were worth $120 in 1951-52. This increased to $134 in 1952-53 for the nine provinces still participating, but by 1955-56 had dropped back gradually to $127. The increase for 1956-57 raised the per student value to $221, but it dropped to $205 in 1957-58, before another increase brought it up to $289. Over the next three years it declined to $239 before the 1962-63 increase brought it up to $297. By 1965-66 it had fallen back to $210 (varying among the provinces from $314 in Newfoundland to $164 in Nova Scotia). Thus, over the 15-year period from 1951-52 to 1965-66 the per capita value of the grants had increased four times, while the per student value had increased by a more modest 43 per cent.

Federal Support of Research. The federal government has been the principal sponsor of university-based research ever since the National Research Council (NRC) entered the field shortly after its establishment in 1917. By the end of the Second World War, NRC support of university-based research had reached the $1-million level, while its two mission-oriented offspring, the Defence Research Board and Atomic Energy of Canada Ltd., as well as some government departments, substantially augmented this amount. By 1958-59 total federal expenditures on scientific research grants and contracts in educational institutions and other non-profit organizations (mostly universities and university-related hospitals and research institutes) had reached $10.3 million. In 1960, the federal government's medical research program was strengthened and expanded under the new Medical Research Council, operating independently of the NRC but within the legislative framework of the National Research Council Act. By 1965-66 total federal expenditures had quadrupled in just seven years, to $41.4 million.[80]

For the universities, the federal government was overwhelmingly the principal source of support for research, accounting consistently for at least 60 per cent of the total. Provincial support did begin to increase substantially in the early years of the 1960s, but by 1965-66 it was still only 15 per cent of the total (but up from a mere 4.6 per cent only two years earlier).[81] This research support was concentrated in relatively few universities. In 1965-66, for example, 50 per cent of all research grants and contracts went to the top five universities, 82 per cent went to the top 10, and fully 97 per cent went to the top 16.[82]

The extensive support of university-based research, especially by the NRC, did not go unnoticed in Ottawa. Nor was it entirely a matter of satisfaction, for to some it appeared to have overwhelmed the NRC's other responsibilities. The 1963 report of the Glassco royal commission on government organization, for example, argued that:

> The National Research Council has turned aside from its original duty of advising on broad national policy and has concentrated its efforts, albeit with conspicuous success, on the support of research and scholarships in the universities and . . . on its own laboratories and establishments . . . .[83]

The government apparently accepted this argument, creating in 1964 a science secretariat within the Privy Council Office and, in 1966, the Science Council of Canada. The Science Council, modelled to some extent on the recently created Economic Council of Canada, was to provide public advice to government on long-term objectives for science. Initially, the secretariat provided staff support to the council, but their roles were subsequently separated.[84]

One of the early studies commissioned by the Science Council was to deal with the whole area of federal support for university-based research. The idea quickly attracted the attention and interest of other bodies, including the Association of Universities and Colleges of Canada (AUCC) and the Canadian Association of University Teachers (CAUT). Eventually, the Canada Council agreed to co-sponsor the study to be undertaken by Dr. John B. Macdonald, just completing his term as president of the University of British Columbia, with a study group chosen by Dr. Macdonald.[85] The terms of reference covered a broad spectrum, including not only research objectives and priorities, but also: "The organization, mechanisms and management practices that will best meet the principles and objectives that are defined by the study."[86]

At the same time, the idea of a national science policy was beginning to take hold, an idea that extended beyond support for scientific research. Exactly what the idea did extend to include, however, was not clear. Nonetheless, it was this idea which would be examined over a period of several years by a special senate committee, established in November 1967 and chaired by Hon. Maurice Lamontagne.

At the time, almost all federal support for research went to the natural and related sciences. There was hardly any government support for research in the humanities and social sciences. The federal government had entered the field in 1957 with the establishment of the Canada Council, but the mandate of that council extended also to the whole range of pure and performing arts, and until 1965 its resources were limited to the income from the original $100-million endowment, half of which was earmarked for capital grants to universities.

The Canada Council Capital Grants Fund. The $50-million capital fund established under the Canada Council in 1957 stood at $34.6 million at the beginning of 1960-61, including accrued interest. The federal accommodation with Quebec in 1959-60 had released the logjam of grants to universities in Quebec, and with their participation the fund was quickly drawn down. By 1964 the original $50 million was almost exhausted and in February of that year the council began expending the accrued interest and profits. A year later, universities were advised of the amounts remaining and, where entitlements had not been fully claimed, were urged to "make an application as early as may be possible . . . in order to expedite . . . the closing out of the Fund."[87] Of the $11 million still unclaimed by then, three quarters was earmarked for just four universities, three of them in Quebec.[88]

In the event, the entire capital fund was fully committed by the end of 1967-68, terminating the program. In all, $68.5 million was paid out in capital grants for more than 200 projects in 83 universities and colleges in all 10 provinces.[89] Meanwhile, as far back as 1960 the federal government had added further capital assistance to its growing arsenal of university support programs, this time for student housing.

CMHC Loans for Student Housing. In November 1960 the National Housing Act was amended to permit the Central (now Canada) Mortgage and Housing Corporation to make loans to universities for the construction of student residences. This program was certainly directed at a real problem for the universities, and came in response to repeated requests from individual presidents and the National Conference of Canadian Universities and Colleges (NCCUC), but the stimulating effect it would have on the construction industry also placed it squarely within the government's overriding preoccupation with the current high rate of unemployment (the rate had doubled in four years, to reach 7 per cent by 1960). Hon. D.J. Walker, minister of labour and the minister responsible for the National Housing Act, was quite candid about the dual objective of the amendment:

> Such residences are needed if our universities are to fulfil their national function.
>
> . . . .
>
> Just a week ago the Prime Minister called me in to a conference with university presidents, and they were asked, if a program like this was undertaken by the government, how soon could the universities get under way to alleviate the unemployment problem.[90]

The scheme provided mortgage loans of up to 90 per cent of the cost of a project, with repayment over a period of up to 50 years. The major benefit to universities lay in the subsidized rates of interest, tied to the yield of government securities (originally 5.125 per cent). The total fund was limited by statute to $50 million, while the cost of each project was limited by regulation to $7,000 per student accommodated. During the first year of the program, $20 million was lent for 22 projects housing 4,300 students, with 11 further applications for $14.7 million awaiting final approval.

Two changes were made affecting the program in 1961. First, the federal government doubled the overall limit to $100 million. Second, Quebec established a unique provincial arrangement by which its universities and colleges might take advantage of the scheme. In Quebec's case, the loans would be guaranteed by the province, and responsibility for repayment of both principal and interest would be assumed by the province. By this device, Quebec had cleverly transformed federal loans into a provincial program for student housing.[91]

Further changes were made in 1964. The limit on outstanding loans was again increased, this time to $150 million, and eligibility was expanded from universities and colleges to cooperative associations and charitable organizations. The effect of the latter was to extend CMHC financing to student-owned housing projects. By the end of 1964, a total of $110.3 million had been lent for 95 projects housing more than 22,000 students.[92] That year also witnessed another expansion of federal financial involvement, moving on from mortgage loans for student residences to loans for students themselves.

The Canada Student Loans Program. The federal government had been participating in a modest way in the support of university students since the Dominion-Provincial Student Aid Program was introduced in 1939. All of the provinces had developed student aid programs, and almost all of them contained provision for subsidized student loans. In the federal election campaigns of both 1962 and 1963 the Liberal party promised both national scholarships and student loans.[93] The scholarships never materialized, but a program of guaranteed and subsidized student loans did. With Hon. Walter Gordon, former commissioner on Canada's economic prospects as minister of finance, the Canada Student Loans Program was launched in July 1964, in time for the 1964-65 academic year. The program provided individual loans of up to $1,000 per year, with an overall maximum of $5,000 for any one student. The money would actually be lent by chartered banks and credit unions, with the federal government both guaranteeing repayment and covering all interest charges until six months after a student's graduation, when the student assumed responsibility for repayment of principal and interest over a 10-year period.

Not only would banks make the actual loans, but the provinces would administer the program, facilitating integration with existing provincial loan and bursary programs and avoiding cumbersome definitions of eligibility. Students would qualify for a loan when they were issued a certificate of eligibility by the appropriate provincial student awards office (in Ontario, this function was delegated to the individual universities). It was a remarkably clever arrangement, easily defended under Sections 91(15) and (19) of the Constitution Act respecting federal authority over banking and credit.

Indeed, respect for provincial responsibility for education went even further. Recognizing that some provinces had quite extensive student aid programs already in place, the act incorporated a contracting out provision whereby any province not participating in the federal program, provided it had a comparable provincial program in place, would receive fiscal compensation equal to its share of actual expenditures under the program. For participating provinces, the initial $40-million loan fund (increased to $48 million a few months later) was allocated in proportion to provincial populations aged 18 to 24. For a non-participating province, the fiscal compensation would be its per capita share of the actual expenditures in the participating provinces. Several provinces considered doing so, but in the event only Quebec took advantage of this provision.

The Canada Student Loans Program stands as a model of intergovernmental cooperation and accommodation. Federal funds have ensured a substantial degree of interprovincial equity and mobility, while decentralized administration has recognized different provincial circumstances and priorities. Quebec's operation of its own program has been associated from the outset with an equivalent federal fiscal transfer, but without sacrificing intergovernmental consultation and substantial coordination. It certainly represents a more sophisticated accommodation of the realities of Canadian federalism than the extra-constitutional program of direct federal grants to universities, even with the belated contracting out provision for Quebec.

The balance of opinion within Canada's university community continued to favour even greater direct federal participation. Partly, this was the legacy of the close relationship established with federal officials during and immediately after the Second World War. Partly also, it reflected an understandable preference for two paymasters rather than one, especially since it was the federal government that possessed unlimited powers of taxation. Nor was such opinion confined to the university community. In rapid-fire succession, three major reports appeared through 1964-65, in each case urging upon the federal government a greatly increased role in higher education. The first of these was the Royal Commission on Health Services, chaired by Mr. Justice Emmett Hall and published in 1964.

The Hall Commission Report. The principal recommendation of this report was the provision of universal access to prepaid medical services. But in order to achieve that objective, a massive expansion would be required in the mostly university-based training of health care professionals, including physicians. Thus, the commission recommended the expansion of several existing medical schools, and the establishment over the next 10 years of new faculties of medicine at Sherbrooke (already planned) McMaster (under discussion), York, Calgary, Victoria, Moncton and, if the results of a feasibility study were positive, Memorial.[94] In addition, 10 more university schools of nursing would be required, with suggested locations at Victoria, Calgary, Regina, Laurentian, York, Carleton, Laval, Sherbrooke, Moncton, and Memorial.[95] Finally, five of the six existing dental schools would need to be expanded (Dalhousie, Manitoba, McGill, Alberta and Montreal, but not Toronto), and five new ones created, at UBC (already under development), Saskatchewan (Saskatoon), Ottawa, Western Ontario, and Laval.[96]

The Hall commission, preoccupied with the health services available to Canadians, concluded unequivocally that: "Education of physicians, like that of dentists, is a matter of national concern.... There is a strong case, therefore, for national financial assistance to provinces carrying this responsibility."[97]

And the proposed "national financial assistance" was nothing if not massive. It included adding 50 cents to the $2.00 per capita grants (to be distributed to universities with professional health programs), assuming half the costs of construction of new teaching hospitals, establishing a capital health facilities development fund to cover half the costs of expansion and new construction for the proposed medical and dental schools, paying grants of $2,000 to each medical and dental student in each of the final two years of their programs and, finally, expanding the Medical Research Council into a health sciences research council with much increased funding.

Virtually all of these recommendations were endorsed and incorporated in the report of a commission on university finance appointed in 1964 by the NCCUC through its executive arm, the Canadian Universities Foundation (CUF). It was supported by a grant of $100,000 from the Ford Foundation and an equal amount contributed by Canadian businessmen. The commission was chaired by Dr. Vincent Bladen of the University of Toronto. The Bladen commission reported in June 1965 and its report was published in October. By then its sponsor had changed names again, this time to the Association of Universities and Colleges of Canada (AUCC).

The Bladen Commission Report. The commission's starting point was the enrolment crisis identified by E.F. Sheffield in 1955 and taken up at the NCCU's 1956 conference:

> This crisis is still with us. The magnitude of the expenditures required has scarcely yet been understood. It is perhaps the most useful function of this Report to develop recognition of the order of magnitude involved. Recognition of a crisis is the first step towards its resolution.[98]

Indeed, the enrolment projections used by the commission, and again prepared by Dr. Sheffield, underscored the continuing nature of the crisis. Total full-time enrolment, which had reached 178,200 in 1964-65, would almost double over the next six years, to 340,400 in 1970-71. This was 28,800 more than Sheffield had projected as recently as 1961. But for the first time, these enrolment projections anticipated a longer term future of less rapid growth. The rate of increase was expected to begin to decline after 1970-71. Even so, enrolment would continue to increase, reaching 461,000 by 1975-76.

The commission rejected any policy of restricting student access to higher education, either by raising standards or by setting market-driven quotas within the framework of a manpower policy:

> We . . . conclude that our governments must estimate the demand on the part of the students for higher education and try to meet it. The demand is there. It expresses itself at the polls as well as in the market, and ultimately it manifests itself in a readiness to pay fees and taxes. In our opinion the Sheffield projection is the best estimate we have of this rising demand. We therefore state our belief that expansion on the scale of the Sheffield projection is a proper objective. The people demand it; our economic growth requires it; our governments must take the action necessary to implement it.[99]

The commission's estimate of the increased costs of continued expansion was even more dramatic than the projected increase in enrolment. Including operating and capital expenditures, as well as student aid, total costs would increase at almost twice the rate of enrolment, reaching $1.7 billion by 1975-76, almost five times the $355 million spent in 1964-65. Who would assume responsibility for this level of expenditure? The commission concluded that only government was in a position to do so, arguing that "... 70 per cent of operating cost, 80 per cent of capital cost, and an even higher share of the student aid bill will have to be met by government."[100] But which level of government? Here the commission recognized arguments both for and against federal involvement, and decided that "the two views are not necessarily incompatible." The key was to separate federal financial support from federal policy control.

> Federal support does not automatically mean federal control. The Federal Government does not control higher education today although it contributes to its revenues.
>
> ....
>
> All universities presently need far more funds than their provincial governments can provide under present fiscal arrangements.[101]

And with that, the Bladen commission recommended a massive increase in federal support of universities. Operating grants should immediately be increased from $2.00 to $5.00 per capita and thereafter by a further $1.00 each year (to be distributed as before except with enrolment weighted by program in determining the allocation of provincial shares to institutions), student aid should be expanded, and a capital grant fund should be established and funded at the rate of $5.00 per capita per year. Moreover, federal support of research should be greatly expanded, and all research grants and contracts should be accompanied by an additional 30 per cent to cover the indirect or overhead costs (the commission also proposed a "sustaining grant for research equal to 10 per cent of each university's faculty payroll). And to coordinate all of this, the federal government should "assign responsibility for ... assistance to universities from all its agencies to a Minister of the Crown,"[102] a virtual federal minister of education!

As for the provinces, the commission urged the establishment of intermediary grants commissions and the determination of grants on the basis of published formulas. Moreover, each grants commission should "... try to develop a 'system' of higher education rather than a congeries of quite independent and isolated universities."[103]

The recommendations of the Bladen commission report were much discussed within the university community. Not surprisingly, they were overwhelmingly endorsed by the AUCC's board of directors (and subsequently by its first annual meeting). The AUCC submitted a brief to the federal and provincial governments in October 1965, supporting the Bladen commission recommendations, but with the added proposal that special, additional funding of $3 million annually be provided to universities in the Atlantic provinces "until such time as increased equalization payments are made...."[104] The immediate response of the federal government seemed to augur well for speedy implementation. Accepting the commission's estimates of the costs of university expansion, the prime minister acknowledged that:

> ... as the needs increase, it is more and more difficult for all provinces to meet them in ways that are within their fiscal capacity. In order that the opportunities for higher education should be adequately improved for all Canadians, in all parts of the country, federal financing must be brought to the assistance of the provinces. My government has already accepted this federal responsibility.[105]

All that remained was the organization of a federal-provincial conference to work out the details. In the meantime, however, yet a third major study appeared in December 1965 in the form of the second annual review of the Economic Council of Canada chaired by Dr. John Deutsch, formerly of Queen's.

The Economic Council's Second Annual Review. This report set forth perhaps the most emphatic case to date in favour of increased expenditures on higher education. Based on studies of the economic returns from investment in education, the council estimated that: "... the returns on the 'human investment' in high school and university education in Canada are in the range of 15 to 20 per cent per year, with slightly higher rates for an investment in a university education...."[106]

Moreover, the council concluded, approximately one quarter of the real growth in personal income in Canada since 1911 could be attributed directly to increased levels of education.

It was the economic benefits of education that made it a matter of direct concern to the federal government. The council's findings, the review argued,

> ... have an important implication for Canadian economic policy—suggesting that relatively greater emphasis should be placed on facilitating expanding investment in education in relation to expanding investment in other assets. In fact, this conclusion would appear to be in general accordance with the growing concern in many parts of the Canadian economy that the shortage of skilled and trained technical, professional and managerial manpower is even more critical than the problem of enlarging the physical facilities required for increasing output.[107]

Indeed, the council recommended "... that investment in education be accorded the highest rank in the scale of priorities." Within such investment, however, the council identified two distinct objectives. First, there should be a "... rapid and substantial expansion of post-secondary education in all parts of Canada ... to provide a ready opportunity to every qualified Canadian student so that financial obstacles will be eliminated as a barrier to higher education."

But it was the second objective that ought perhaps to have commanded greater attention from the university community. Here, the council called for the "... development and implementation of greatly expanded programmes to upgrade and bring up to date the education and skill qualifications of the existing labour force, including professional workers and management."[108]

Within the year, governments would discover the implicit possibility that a division of responsibilities might be sought along the lines of these two recommendations, the provinces responsible for general postsecondary education and the federal government for upgrading the labour force. The implications of that discovery for Canada's universities would be as profound as its announcement was startling. In the meantime, however, the prospect of increased general funding from the federal government seemed all but assured.

Preoccupation with tax reform and revenue sharing, as well as a spate of provincial elections, precluded an early federal-provincial conference to consider the implications of the Bladen commission report. In the interim, the federal government announced in January 1966 that it would adopt the central recommendation of that report, albeit one year late. For 1966-67 federal grants would be increased from $2.00 to $5.00 per capita. They would also be distributed in the manner proposed. Of the total $5.00 per capita fund, the equivalent of $4.30 was allocated to each province in proportion to its population. The remaining 70 cents was held in reserve for subsequent distribution to universities in provinces experiencing a net in-migration of students.[109] As well, the weighting formula suggested by Bladen and endorsed by the AUCC was employed, with weights ranging from 1 for first- and second-year undergraduates to 5 for Ph.D. students. Interestingly, the additional fiscal compensation transferred to Quebec was not tied to the corporate income tax but simply paid in cash.

The federal government had been making modest payments to universities under its health and welfare grants program since 1948. In July 1966, however, it increased its participation dramatically, moving to implement one of the central recommendations of the Hall commission by creating the Health Resources Fund. The legislation provided for a fund of $500 million extending over 15 years (to 1980), to be allocated to the provinces for the purpose of assisting in the capital construction of health training and research facilities. The bulk of the fund ($300 million) was to be distributed in proportion to population, $25 million was reserved for cooperative projects in the Atlantic provinces, and the remaining $175 million was available at the discretion of the federal government. All projects had to be incorporated within five-year provincial plans for the development of health education, training, and research.[110] In fact, most of the fund went to build up Canada's university medical schools: "Over 95% of the commitments continue to be made to the 16 Health Science Centres being created around the 12 old and 4 new medical schools in Canada."[111]

In contrast with the Canada Student Loans Program, the Health Resources Fund stands as a monument to the propensity of conditional grants to distort provincial and institutional priorities and to blur expenditure accountability. The expansion of university programs in medicine was unquestionably a matter of some urgency to the federal government on the eve of its introduction of publicly funded medical care, itself a conditional grant program. And the funds provided were unquestionably effective in achieving the desired expansion. In the process, however, provincial and university priorities were skewed in favour of by far the most expensive professional programs. Moreover, when the expansion was accomplished, and the urgency thus dissipated, the provinces and the universities would be left to manage expensive capital facilities with no provision for maintenance or eventual replacement.

The reaction of several provinces to the increase in federal operating grants offered clear evidence of their growing concern with direct federal support to universities. The premier of British Columbia indicated that he would prefer to see the grants distributed by the province's financial advisory board rather than by the AUCC. Ontario's minister of university affairs advised universities of the level of total funding, a level that included federal grants. And Quebec, insisting that federal grants constituted unconditional transfers to the province, announced that the level of provincial support for universities in 1966-67 "would rise by less than the increase in the federal grant."[112]

The provinces did not, however, move to substitute the increased federal grants for provincial support. As Table 6 shows, the shares of university operating expenditures borne by the federal and provincial governments, and by students, remained quite constant over the period 1960-61 to 1965-66, at approximately 40 per cent, 20 per cent, and 25 per cent respectively. The provincial share held also for 1966-67, while the increased federal grants were offset by a relative drop in tuition, as well as in the contribution of other income.

Table 6
University Operating Income by Source, as a Percentage of Operating Expenditures, 1961 to 1967

Year*	Prov. Grant	Federal Grant	Total Gov't Grant	Student Fees	Endowm't. & Misc.	Surplus or (Deficit)
1961	43.6%	19.0%	62.6%	26.1%	11.2%	--
1962	43.5	18.2	61.7	26.0	12.5	0.2%
1963	38.6	18.9	57.5	26.1	14.8	(1.6)
1964	38.5	19.7	58.2	26.1	13.5	(2.3)
1965	39.8	18.3	58.1	26.0	15.2	(0.7)
1966	42.5	16.9	59.4	25.6	13.6	(1.4)
1967	43.3	23.1	66.4	22.4	11.6	0.4

* Note: The academic or fiscal year ending in the year shown.

Source: Dominion Bureau of Statistics, *Survey of Education Finance.*

The federal government took one other step which appeared to many to be preparatory to following Bladen's proposal for a federal minister responsible for higher education. In 1966, Robin Ross, registrar of the University of Toronto, was seconded for one year to advise on the establishment of an education support branch within the Department of the Secretary of State. The prospect of a federal office of education was, of course, anathema to the provinces, and they were finally galvanized into taking defensive action.

Within the year, the provincial ministers of education, who had for years constituted an informal committee of the Canadian Education Association, established a formal, interprovincial organization, the Council of Ministers of Education of Canada (CMEC).

If there was growing provincial opposition to federal operating support, the same was not the case for increased federal support of research. The value of federal scientific research grants and contracts, which had already been increased by nearly 40 per cent in 1965-66, was increased again by 28 per cent for 1966-67 and by another 34 per cent, to $71 million, for 1967-68.[113] Support for research in the humanities and social sciences was minuscule by comparison, but the rates of increase were even more dramatic. Between 1965-66 and 1967-68, the value of research grants from the Canada Council increased more than five times, from $412,800 to $2.1 million.[114] One significant factor in that increase was the decision in 1965 to augment the council's endowment with annual appropriations.

The Federal-Provincial Fiscal Arrangements. When a federal-provincial conference of first ministers was finally convened in October 1966, the proposals tabled by the federal prime minister were little short of staggering in their far-reaching implications for universities. Future federal support of all forms of postsecondary education, excluding only university research and student loans, would be integrated with the new revenue-sharing and equalization arrangements unveiled a month earlier. Gone were federal per capita payments to universities; gone was the associated contracting out provision for Quebec; and gone were a host of categorical conditional grants for technical and vocational education and capital facilities.

They were to be replaced by a major federal initiative in manpower training for adults already in the labour force, and a transfer of taxing capacity to the provinces sufficient to cover almost the full cost of postsecondary education. As finally embodied in the 1967 Fiscal

Arrangements Act, Ottawa would transfer to all provinces an additional 4.357 points of personal income tax and 1 per cent of taxable corporate income (this had been transferred to Quebec in the 1960 contracting out arrangement) to cover the costs of postsecondary education. Moreover, provincial revenue from this transfer would be included in the equalization provisions, assuring each province of at least the national average per capita revenue.

The federal position was presented with an explicit recognition of provincial constitutional responsibility for education: "Education is, under our constitution, a matter of provincial jurisdiction. The federal government does not dispute this or wish in any way to do so."[115]

At the same time, however,

> . . . education is obviously a matter of profound importance to the economic and social growth of the country as a whole This is particularly true of higher education . . . . The federal government has specific and particular responsibilities to which higher education is relevant.[116]

These "specific and particular responsibilities" were not further defined. The federal government did, however, undertake to make further cash transfers, if necessary, to bring the proceeds of the equalized tax transfer up to 50 per cent of the total operating expenditures of postsecondary institutions in each province. And, as further assistance to provinces with both weak revenue-raising capacities and below average expenditures on postsecondary education, a floor of $15 per capita, annually escalated in line with total national expenditures on postsecondary education, was placed under the transfer arrangement (Newfoundland, Prince Edward Island, and New Brunswick would benefit from this provision).

The advantages of this arrangement for the provinces were considerable. Not only did they regain their constitutional jurisdiction, but they were also assured of substantial revenue gains as well. According to Howard Cody, Ontario officials were convinced that the arrangement would mark the end of federal participation in university finance in that province, calculating that the value of the tax transfer would exceed 50 per cent of the operating expenditures of universities and colleges.[117]

The advantages of the new arrangement for the universities were neither clear nor obvious.

> A number of university spokesmen strenuously opposed the demise of the per capita grants on the grounds that the consequent dependence of their institutions on provincial governments would endanger their autonomy. Meantime, precisely because their governments would henceforth have exclusive dominion over university finance, provincial officials were eloquent in their silence.[118]

One thing was abundantly clear. The 1967-68 federal-provincial fiscal arrangements had ushered in a new era for Canada's universities. For better or worse, they now found themselves confronting the prospect of coordinated provincial systems of postsecondary education.

Notes

1. E.F. Sheffield, *University Development: The Past Five Years and the Next Ten*. Ottawa: Canadian Universities Foundation, 1961. p. 4.
2. Economic Council of Canada, *First Annual Review: Economic Goals for Canada to 1970.*
3. Ottawa: Queen's Printer, 1964, p. 160. Ontario's "Robarts Plan", for example, was introduced in 1962 and created three high school "streams"—arts and science; science, technology and trades; and business and commerce—each of which had five-year options (completed after Grade 13) leading to university and four-year options (completed after Grade 12) leading to provincial technical institutes. See David M. Cameron, *Schools for Ontario: Policy-making, Administration, and Finance in the 1960s*. Toronto: University of Toronto Press, 1972, p. 168.
4. J.R. Smallwood, *I Chose Canada*. Toronto: Macmillan, 1973, p. 392.
5. Ibid., p. 384.
6. AUCC, *University Affairs*, October 1965, p. 16.
7. Frederick W. Rowe, *Education and Culture in Newfoundland*. Toronto: McGraw-Hill Ryerson, 1976, p. 67.
8. University of Saskatchewan, *Organization and Structure*. Report of a Committee on the Organization and Structure of the University, as Amended and Adopted by the Senate of the University of Saskatchewan, November 4, 1966, p. 9.
9. Ibid., p. 20.
10. Alberta, Survey Committee on Higher Education in Alberta, *Interim Report No. 1*. Edmonton: mimeographed, 1962, p. 1.
11. Ibid., p. 2.

12. Cited in Peter M. West, *The Formation of the Department of Advanced Education: A Case Study in Postsecondary Education, 1966-1973.* Unpublished Ph.D. thesis, University of Alberta, 1982, p. 52.

13. Cited in Walter H. Johns, *A History of The University of Alberta, 1908-1969.* Edmonton: University of Alberta Press, 1981, p. 366.

14. Alberta, Department of Education, *Annual Report, 1964*, p.9.

15. C.G. Stone and F.J. Garnett, *Brandon College: A History, 1899-1967.* Brandon: Brandon University, 1969, p. 199.

16. Hugh H. Saunderson, *The Saunderson Years.* Winnipeg: The University of Manitoba, 1981, p. 139.

17. Manitoba, Universities Grants Commission, *Annual Report*, 1968.

18. W.G. Fleming, *Ontario's Educative Society*, vol. 5, p. 22.

19. E.E. Stewart records how hesitant the committee was in its early years out of respect for the principle of institutional autonomy:

    > . . . it was with some hesitancy that the first requests for specific information about enrolment, fees, faculty and salary scales and detailed information about income and expenditures were solicited. In the end it was decided that the universities would take exception to such a request if it were made over the signature of a member of the civil service and that, therefore, the Minister of Education would have to personally solicit the information required. This technique was followed until 1962, although the government quickly moved to have the institutions forward the information requested directly to members of staff . . . .

    See E.E. Stewart, *The Role of the Provincial Government*, pp. 477-78.

20. The committee was not formally established as such until December 1962, although it had met five times by then.

21. Paul Axelrod, *Scholars and Dollars: Politics, Economics and the Universities of Ontario, 1945-1980.* Toronto: University of Toronto Press, 1982, p. 93.

22. Cited in Committee of Presidents of Provincially Assisted Universities, *Post-Secondary Education in Ontario, 1962-1970.* Toronto: mimeographed, 1962 (Revised January 1963), Appendix 1.

23. Ibid., p. 3.

24. Ibid., p. 32.

25. Ibid., p. 20.

26. Ibid., p. 25.

27. Ibid., p. 28.

28. Hon. John P. Robarts, Prime Minister of Ontario, in a statement to the Ontario Legislature on university affairs. *Debates of the Legislature of Ontario*, 26th Legislature, 4th Session, 21 March 1963, p. 2002.

29. In the case of Trent, three established universities (Toronto, Queen's, and Western) each seconded a senior faculty member to assist in planning the new university.

30. David R. Murray, *Hatching a Cowbird's Egg: The Creation of the University of Guelph*. Guelph: The University of Guelph, 1989, p. 63.

31. The 14 provincially-supported universities were Toronto, Queen's, Western, McMaster, Carleton, York, Waterloo, Laurentian, Windsor, Trent, Brock, Lakehead, Guelph, and Ottawa.

32. Ontario, *Debates*, p. 2004.

33. Ibid., p. 2007.

34. Ibid., p. 2007.

35. See Ontario, *Report of the Committee on University Affairs of Ontario for 1972-73 and 1973-74*, p. 9.

36. Axelrod, *Scholars and Dollars*, p. 95.

37. The 13 institutions were: Acadia University, Dalhousie University, the Maritime School of Social Work, Mount Allison University (physically in New Brunswick, but with a third of its 1,200 students from Nova Scotia), Mount Saint Vincent College, the Nova Scotia College of Art, the Nova Scotia Technical College, Sacred Heart Convent, Collège Sainte-Anne, Saint Mary's University, Saint Francis Xavier University, and the University of King's College. Two other colleges, the Nova Scotia Teachers College (located in Truro) and Pine Hill Divinity Hall were not included in the terms of reference.

38. Cited in Nova Scotia, University Grants Committee, *Higher Education in Nova Scotia: Survey Report with Recommendations*. Halifax: mimeographed, 1964, p. 86.

39. Ibid., p. 35.

40. Ibid., pp. 62-4.

41. Ibid., Appendix, Table 7. The 40 per cent was broken down as follows: 14 per cent from other Atlantic provinces, 12 per cent from Ontario and Quebec, 1 per cent from western Canada, 8 per cent from the United States, and 5 per cent from other foreign countries.

42. Ibid., p. 55.

43. Quebec, Royal Commission of Inquiry on Education, *Report*, Part One, "The Structure of the Educational System at the Provincial Level." Quebec: Government printer, 1963, p. viii.

44. In addition to the establishment of the royal commission, the Quebec legislature also passed bills providing for improvements in the quali-

fications of secondary teachers, abolishing tuition fees in all public schools, increasing the compulsory attendance age from 14 to 15, and encouraging cooperation, especially in secondary education, between local school boards. See Norman Henchey, "Quebec Education: The Unfinished Revolution," in *McGill Journal of Education*, vol. vii, no. 2, Fall 1972, pp. 95-118.

45. Quebec did not have a minister of education, having abandoned that portfolio in 1875. The education system was administered by a department of public instruction, headed by a superintendent, who acted on the advice of powerful, and essentially independent, Catholic and Protestant committees of the Council of Education (the council itself virtually never met). Traditionally, the superintendent had reported to the cabinet through the provincial secretary who, in turn, answered for the department in the legislature. In 1960, this liaison role was transferred to the minister of youth. The new minister, Paul Gérin-Lajoie, had previously served as legal counsel for the Fédération des collèges classiques.

46. Quebec, Quebec Royal Commission on Education, p. 75.

47. Ibid., p. 78.

48. Ibid., p. 82.

49. AUCC, *University Affairs*, October, 1964, p. 2.

50. Quebec, Royal Commission of Inquiry on Education, *Report*, Part Two, "The Pedagogical Structures of the Educational System." Quebec: Government printer, 1964, volume II, pp. 70-71.

51. Ibid., p. 196.

52. Ibid., p. 210.

53. Ibid., p. 212.

54. Ibid., p. 216.

55. Ibid., p. 225.

56. New Brunswick, Royal Commission on Higher Education, *Report*. Fredericton, 1962, p. 21.

57. Ibid., p. 77.

58. Ibid., pp. 89-90.

59. Ibid., p. 60.

60. For a detailed discussion of the views of the francophone universities and colleges, as well as the care taken in the choice of a name for the new institution, see Clement Courmier, *L'Université de Moncton: Historique*. Moncton: Centre d'études acadiennes, Université de Moncton, 1975, pp. 60-72.

61. Ibid., p. 102.

62. James A. Fraser, *By Force of Circumstance: A History of St. Thomas University*. Fredericton: Mirimichi Press, 1970, p. 94.

63. Université de Moncton, *Annuaire, 1964-65*, p. 20.

64. John B. Macdonald, *Higher Education in British Columbia and a Plan for the Future*. Vancouver: The University of British Columbia, 1962, p. 59.

65. Ibid., p. 75.

66. Ibid., p. 85.

67. Gordon Shrum, *Gordon Shrum: An Autobiography*. Vancouver: University of British Columbia Press, 1986, p. 97.

68. F.H. Johnson, *A History of Public Education in British Columbia*. Vancouver: University of British Columbia Publications Centre, 1964, p. 208.

69. Prince Edward Island, *Report of the Royal Commission on Higher Education for Prince Edward Island*. Charlottetown, 1965, p. 22.

70. Ibid., p. 16.

71. Lorne R. Moase, *The Development of the University of Prince Edward Island, 1964-1972*. Unpublished M.Ed. thesis, University of New Brunswick, 1972, p. 16.

72. Prince Edward Island Commission on Post-Secondary Education, *First Annual Report*. Charlottetown: the Commission, 1970, p. 8.

73. William G. Davis, "The Government of Ontario and the Universities of the Province," in W. M. Cooper et al, *Governments and the University: The Frank Gerstein Lectures*. Toronto: Macmillan, 1966, p. 27.

74. Ibid., p. 30.

75. Ibid., p. 32 (Emphasis added).

76. Ontario, Commission to Study the Development of Graduate Programmes in Ontario Universities, *Report*. Toronto: Committee on University Affairs and Committee of Presidents of Provincially Assisted Universities, 1966, p. 77.

77. Ibid., p. 78.

78. Ibid., p. 80.

79. Ibid., p. 44 (Emphasis added).

80. Figures taken from John B. Macdonald et al, *The Role of the Federal Government in Support of Research in Canadian Universities*. Ottawa: Queen's Printer, 1969.

81. Ibid., p. 45.

82. Ibid., p. 30.

83. Canada, Royal Commission on Government Organization, *Report*. Ottawa: Queen's Printer, 1963, vol.4, p. 220.

84. For a more extensive discussion of these organizations and their relationships, see G. Bruce Doern, *Science and Politics in Canada*. Montreal: McGill-Queen's Press, 1972, pp. 10-13.

85. The study group consisted of Dr. L.P. Dugal of Sherbrooke, Dr. J. Stefan Dupré and Dr. Ernest Sirluck, both of the University of Toronto, Dr. J.B. Marshall of the NRC, Dr. J. Gordon Parr of Windsor, and Dr. Erich Vogt of the University of British Columbia.

86. John B. Macdonald et al, *The Role of the Federal Government in Support of Research in Canadian Universities*. Special Study No. 7, prepared for the Science Council of Canada and the Canada Council. Ottawa: Queen's Printer, 1969, p. v.

87. Canada Council, *Annual Report, 1964-65*, p. 25.

88. The four universities were McGill, Sir George Williams, Montreal, and Toronto (included with Toronto's allotment was $.5 million earmarked for St. Michael's College).

89. For a complete listing of all the grants and projects, see Canada Council, *Annual Report, 1967-68*, pp. 113-17.

90. Canada, *Hansard*, November 22, 1960, p. 95. Almost at the same time, the minister of labour introduced the Technical and Vocational Training Act, under which capital grants were made available to the provinces for the construction of secondary school facilities. This was also designed to stimulate the construction industry. See David M. Cameron, *Schools for Ontario: Policy-making, Administration, and Finance in the 1960s*. Toronto: University of Toronto Press, 1972, pp. 164-65.

91. Central Mortgage and Housing Corporation, *Annual Report, 1961*, p. 14.

92. CMHC, *Annual Report, 1964*, p. 14.

93. The proposed Canada Scholarships were to provide 10,000 awards valued at $1,000 per year for up to four years. See D. Owen Carrigan, *Canadian Party Platforms, 1967-1968*. Toronto: Copp Clark, 1968, pp. 265 and 298.

94. Canada, Royal Commission on Health Services, *Report*. Ottawa: Queen's Printer, 1964, vol. 1, p. 70.

95. Ibid., p. 68.

96. Ibid., pp. 73-4.

97. Ibid., p. 69.

98. Vincent W. Bladen et al, *Financing Higher Education in Canada: Report of a Commission to the Association of Universities and Colleges of Canada*. Toronto: University of Toronto Press, 1965, p. 9.

99. Ibid., p. 20.

100. Ibid., p. 36.

101. Ibid., p. 40.

102. Ibid., p. 67.

103. Ibid., p. 80.

104. Cited in AUCC, *University Affairs*, vol. 7, no. 2 (December 1965), p. 5.

105. Cited in Ibid., p. 6.

106. Economic Council of Canada, *Second Annual Review: Towards Sustained and Balanced Economic Growth*. Ottawa: Queen's Printer, 1965, p. 90.

107. Ibid., p. 91.

108. Ibid., p. 171.

109. This had a very substantial impact on some provinces. Nova Scotia, for example, moved in one year from last place to fifth in order of provinces ranked by the per-student value of the grants.

110. Canada, Department of National Health and Welfare, *Annual Report*, 1969, pp. 93-4.

111. Ibid., 1971, p. 19.

112. AUCC, *University Affairs*, vol. 7, no. 4, April 1966, p. 6.

113. Macdonald, *The Role of the Federal Government*, p. 76.

114. Ibid., p. 78.

115. Canada, Privy Council Office, *Federal-Provincial Conference: Ottawa, October 24-28, 1966*. Ottawa: Queen's Printer, 1968, p. 7.

116. Ibid., p. 7.

117. Howard H. Cody, *Towards a Perspective on the Perpetuation of the Canadian Federal System: Federal-Ontario Relations in University Education, 1945-1970*. Unpublished Ph.D. thesis, McMaster University, 1977, pp. 311-12.

118. J. Stefan Dupré et al, *Federalism and Policy Development: The Case of Adult Occupational Training in Ontario*. Toronto: University of Toronto Press, 1973, p. 25fn.

4

Emergent Provincial Systems

The new era ushered in by the 1967 federal-provincial arrangements entailed considerable adjustment on all sides, as the centre of gravity in public policy shifted to the provinces. University leaders who had fostered a special relationship with the federal government since the Second World War found themselves quite disoriented. In their search for new directions, they turned first to a comprehensive study of the situation. The idea of such a study originated with the Canadian Association of University Teachers (CAUT), and was quickly accepted not only by the Association of Universities and Colleges of Canada (AUCC), but also by the Canadian Union of Students (CUS) and the Union général des étudiants du Québec (UGEQ), all of whom jointly sponsored the Commission on the Relations between Universities and Governments (CRUG). Supported by a grant of $150,000 from the Ford Foundation, the commission was launched in November 1967.

The two commissioners were René Hurtubise, professor of law at the Université de Montréal, and Donald Rowat, professor of political science at Carleton. Their terms of reference were far-reaching:

1. To consider the distinctive role of universities in the changing Canadian society, particularly with respect to their responsibilities for the development of this role at the various levels of society: community, provincial, regional, national and international.

2. To determine the need, nature, and extent of a) university autonomy, b) government and public control of universities.
3. To recommend the appropriate instruments by which relations between universities and governments can be established that do justice to their responsibilities.[1]

The study was expected to be completed within a year, but it would be 1970 before the report was actually published.

In the meantime, provincial governments, for their part, moved initially with considerable care, even caution, in exercising their re-established primacy. For several provinces, the immediate consequence of the new federal-provincial fiscal arrangements was simply a welcome relief to the provincial treasury. Nova Scotia, for example, reduced its net contribution by more than half, from $5.7 million in 1966-67 to $2 million in 1967-68. This was buried within a very substantial increase in total provincial grants, incorporating the federal transfer, to $14.3 million, an increase of 150 per cent. It would take another two years before the net provincial contribution regained its 1966-67 level.

Other provinces followed much the same pattern.[2] They also moved to complete the structures of provincial policy that would guide the development of universities, with other postsecondary institutions, into mature provincial systems. Collectively, provincial policies contained four principal components: completing the networks of institutions, establishing intermediary agencies, developing formula-driven grant programs, and building provincial bureaucracies.

The Components of Provincial Policy

Each of the four components emerged differently in different provinces and, indeed, not all were present in each province. Nonetheless, the pattern of provincial policy is characterized as much by its common elements as by its distinctive institutional manifestations. Two of the components of provincial policy served to enhance the public nature of higher education or, as it came increasingly to be designated, postsecondary education. But the other two served to confirm the arm's-length nature of government control and funding of individual universities. Thus was the delicate balance preserved. For most provinces, the first task was the completion of the network of postsecondary institutions.

Completing the Institutional Network. In completing the networks of public postsecondary institutions through the latter 1960s and early 1970s, this component of provincial policy was dominated by three themes: the addition of new universities, the transformation of denominational colleges into public universities (sometimes reducing the number of institutions in the process), and the creation of new types of colleges as alternatives to the university.

Three provinces, British Columbia, Manitoba and Newfoundland, continued without further change in the framework of their university policies. Each of these provinces, however, faced the prospect of an alternative college system. The outcomes would be quite different in each case.

British Columbia had expanded its public university system to include three institutions, and this number was not to be further increased. Much effort did, however, go into building a network of regional colleges. Indeed, this was the preoccupation of the province's academic board, which played almost no role at all in relation to the universities.[3] Between 1965 and 1970 eight regional colleges were established offering one, or in most cases, two years of university work as well as technical and vocational programs.

Manitoba had also developed a system of three public universities, and this framework also remained intact. In 1967, Manitoba was presented with a detailed proposal for the establishment of a province-wide network of community colleges. The proposal came from the Manitoba Educational Research Council, and was prepared jointly for the provincial Department of Education and the Winnipeg school board.[4] In this case, the province moved with considerable caution. No new institutions were established, but in 1969 the provincial government renamed its three vocational schools "community colleges," signalling an intended broader scope of activity.[5] That scope did not extend to university-level work, however.

Newfoundland had set itself firmly on the course of a single provincial university, and Memorial continued to hold a monopoly on the granting of degrees within the province. The need for additional institutions at the postsecondary level was recognized by the Royal Commission on Education and Youth in its 1968 report. It proposed that the province be divided into six regions, each to have a two-year college. The commission advocated the British Columbia model, by which the colleges would offer both university-transfer and terminal vocational programs, and with students having the option of proceeding directly to university or beginning their postsecondary studies in a college.[6] The provincial government took no action to implement this recommendation, although in 1975 Memorial opened its West Coast Regional College in Corner Brook, offering first- and second-year courses.

Saskatchewan was the only other province to hold to a single-university policy. Despite this, the University of Saskatchewan was moving, reluctantly but ineluctably, toward greater independence for the Regina campus. The reorganization proposed by the committee on organization and structure in its 1966 report was mostly put in place during 1967-68, and was incorporated in revisions to the University Act in 1968. Henceforth, each campus would be headed by a principal, and each principal would report to the president of the whole university (whose office, significantly, remained within the Saskatoon campus). There would continue to be one senate and one board but, in fact, each was organized on a decentralized basis. Under the senate, for example, each campus enjoyed its own academic council, co-ordinated by a general university council. Indeed, by 1970, the general university council had become the recognized senior academic body of the university, while the senate became, as in Alberta, primarily a vehicle for communication between the university and the broader community.[7] For its part, the board operated with finance and personnel committees for each campus, while an administrative committee advised on such matters as the total university budget, allocations to each campus, promotion, tenure and salary.

The reality of Saskatchewan's one-university policy was slowly being eroded by incremental policy changes, but the principle was preserved that coordination of the two campuses would be the responsibility of the university board of governors and not of the government or an intermediary agency.

Meanwhile, both the university and provincial government were studying other arrangements. During 1965-66, a joint committee on higher education was established: "... to inquire into and report on desirable developments in Higher Education in the Province, including the whole spectrum of possibilities—universities, junior colleges, technical institutes, community colleges and the like."[8]

By 1967-68 the committee had proposed a province-wide system of regional education boards, to be charged with a comprehensive responsibility for postsecondary education other than that offered through the university.

Saskatchewan apparently saw no urgency in implementing such a scheme. Ontario, on the other hand, had already done so. Its public university system was almost completed by 1965, with 14 institutions. The province vetoed efforts by local groups in North Bay and Sault Ste. Marie to obtain university charters, but did finally agree to regional affiliates of Sudbury's Laurentian University. Thus, both Nipissing College in North Bay and Algoma College in Sault Ste. Marie were launched in 1967, joining tiny Collège de Hearst in affiliation with Laurentian.[9] Only the transformation of the denominational Waterloo Lutheran into the public Wilfrid Laurier University in 1973 remained to bring the university system to its present institutional dimensions.

The Ryerson Polytechnical Institute did, however, assume a special status within the postsecondary system. In 1971 it was granted the right to offer degrees, but only specific and unique ones: Bachelor of Technology (B. Tech.) and Bachelor of Applied Arts (B.A.A.), with Bachelor of Business Management (B.B.M.) added in 1977. Along with the Ontario College of Art, Ryerson was also brought within the advisory jurisdiction of the Ontario Committee on University Affairs (CUA), while Statistics Canada began in 1971-72 to count all of its students as at university level.

It was the community college system, however, that received the bulk of the provincial government's attention in the latter 1960s. Earlier reforms of the secondary school program had set in motion the prospect of a flood of high school graduates inadmissible to existing university programs and little qualified for immediate employment. It was primarily to prepare places for those students, as well as to meet the economic necessity of a more highly trained labour force, that Ontario's minister of education, Hon. William Davis, introduced enabling legislation in 1965 to create a province-wide network of colleges of applied arts and technology (CAATs). And in doing so, he left no doubt that this was to be a far-reaching program of educational reform and development:

> . . . having put in train our plans for other areas of our school system, we can focus our attention on the design of this remaining section, directly related to the applied arts and technology, for full-time and for part-time students, in day and in evening courses, and planned to meet the relevant needs of all adults within a community, at all socio-economic levels, of all kinds of interests and aptitudes, and at all stages of educational achievement.[10]

It took several years to put this new structure in place. The first college (Centennial, in Scarborough) opened in late 1966, but the full system did not begin to function until 1967-68, and it was 1970 before all of the province's adult training centres were transferred from high schools to the new CAATs (the latter also absorbed a variety of provincial technical institutes and trade schools). And despite the ambitions of some of the early college presidents and boards, the province held firmly to its binary policy; the colleges were specifically precluded from offering university credit programs. By 1972 there were 20 colleges with a combined full-time enrolment of over 42,000.

Quebec also set about to establish a new college system, but from the outset it was to be part of a virtual revolution in postsecondary education, following quickly and with amazing consistency the recommendations of the Parent royal commission. The first step had been the establishment, in May 1964, of a department of education as the agent of radical democratization. By January 1965, a planning committee was in place to design and implement the details of the Parent commission's proposed "institutes" for pre-university and vocational education. The committee prepared draft legislation, drew up a standard curriculum, and mapped out regional boundaries for the new institutions.

Despite a change of government in June 1966, planning proceeded with little hesitation. In January 1967, Bill 21 was introduced, designating the new institutions "collèges d'enseignement général et professionnel," which was quickly shortened to the acronym "CEGEP." As recommended by Parent, they were to admit students after 11 years of elementary and secondary schooling, with two-year general academic programs leading to university admission and three-year vocational and technical programs leading to employment. They would be organized as public corporations and governed by councils composed of faculty members, students, parents, and members of the community.

Other provinces, particularly British Columbia and Alberta, had combined university and vocational programs in their colleges, but none had also made the college the only route to university (it should be noted, however, that the total of 13 years of pre-university study in Quebec would be the same as in Ontario's elementary and secondary schools).

The legislation was passed in June 1967 and no fewer than 12 CEGEPs were planned for September of that year. The formation of these first colleges illustrated the pattern that would subsequently be followed by others. Four of them were created simply by transforming an existing classical college into a CEGEP. Another five involved the merger of a classical college with a technical institute or normal school. Finally, three were created through the merger of several existing institutions (five in the case of Hull).[11]

The network of CEGEPs was nearly completed by 1970. Eleven had been added in 1968, seven in 1969, and planning for three more was well advanced (eventually, 40 French and four English colleges would be established, some with more than one campus). The first English-language college, Dawson, was established in Montreal in 1969. Interestingly, it and the three subsequently established have also taken on the French acronym CEGEP, rather than its awkward English equivalent. Enrolment grew quickly (to more than 47,000 by 1970), but not according to the pattern proposed by Parent or expected by officials in the Department of Education. Vocational programs were expected to attract about 70 per cent of the students and academic programs about 30 per cent. In fact, in the first two years the experience was exactly the opposite, prompting the department to observe that: "... it will be necessary to wait some years before the CEGEPs will be able to present the polyvalent situation with the predominance of vocational options which were offered at their inception."[12]

Completion of the general (academic) program in a CEGEP led to a provincial diploma. According to one of the key officials at the time, the provincial department tried, but failed, to persuade the universities to accept this diploma as sufficient for automatic admission to any university.

The establishment of a system of public colleges served, as expected, to increase enrolment pressures on the universities. The Parent commission had addressed this issue, recommending the establishment of two "limited charter" universities in Montreal (one French and one English) and "centres of university studies" in smaller cities. In its response to the evident need for additional university institutions, spurred on by student strikes in the fall of 1968, the Quebec government took a unique approach. In December, legislation was introduced to establish the Université du Québec. This was not to be just another university, however.

The new university was to be a university system within the larger system. It was also unquestionably a state system, operating alongside the several autonomous institutions, but with a mandate that derived directly from the overriding commitment of the provincial government to accessibility and democratization, and which specifically assigned to the new university system a particular responsibility for the professional preparation of teachers.[13]

With its administrative headquarters in Quebec City, the original system consisted of constituent campuses in Montréal, Rimouski, Trois-Rivières, and Chicoutimi, the latter initially a centre rather than a full university campus. These constituent institutions were themselves created through the amalgamation of existing colleges. The Université du Québec à Montréal (UQAM), for example, incorporated three normal schools, a school of fine arts, and the former Jesuit classical college, Collège Sainte-Marie.[14] Provision was also made for the addition of specialized professional schools and research institutes, including the original École Nationale d'Administration Publique (ENAP).

The internal organization of the university system was also unique. The teaching program and students were organized into subject "modules" and "families of modules," while faculty members were grouped by departments. This dual organization was carried right through the administrative structure of each constituent unit (all of which employed the same terminology). Each campus was headed by a rector and a conseil d'administration, while the university system as a whole was headed by a president and assemblée des gouverneurs, as well as the senior academic body, the conseil des études, and a planning commission. Significantly, the president, rectors, and members of the governing council (apart from the vice-presidents who served *ex officio*) were appointed by the provincial government.

By creating a multi-campus provincial university, Quebec had simultaneously established the framework for future expansion, at least on the French side.[15] There were to be no additional institutions on the English side, although in 1974 Sir George Williams University and Loyola College would merge to form Concordia University. Quebec's university system thus came to consist of six independent institutions (Laval, Montréal, Sherbrooke, McGill, Bishop's, and Concordia) plus the provincial Université du Québec. Along with the CEGEPs, it was a remarkable legacy for a royal commission.

Indeed, that legacy extended even further. While Parent had refrained from making explicit recommendations applicable to the private domain of university charters, there could have been no doubt of the commission's preference for public control. It was also becoming increasingly apparent, not least to the Catholic hierarchy, that church control was no longer compatible with social and political realities in Quebec. The Université de Montréal, which had acquired a new charter only in 1950, was the first to drop its denominational character, appointing a lay rector in 1965 and effectively transforming itself into a public university in 1967 under a new provincial charter.[16]

Laval, meanwhile, had been undergoing a thorough, if gradual, transformation since 1960. By 1965 it was quite autonomous in administration, but legal control continued to reside in the church, and the superior of the seminary was still the rector of the university, *ex officio*. The upshot, after further study by university committees, was the abandonment of the royal charter of 1852 and its replacement by provincial legislation in 1970. The provincial charter was unique, creating a unicameral structure of government, and providing for the election of the rector by an electoral college representative of the whole university.[17]

Sherbrooke was the youngest of the three French-language, Catholic universities in Quebec and the last to be transformed, also by provincial legislation, into a public institution. Sherbrooke actually gave serious consideration to an option that some officials hoped might have become a pattern: integration as a constituent unit within the Université du Québec. That option was rejected, however, and Sherbrooke finally emerged from several years of bitter internal controversy with a new charter, enacted in 1978.[18]

New Brunswick's consolidation of university education in the early 1960s had also followed the recommendations of a royal commission. One of the principal concerns of that commission, and of the consequent consolidation, was the creation of a single French-language university in Moncton, drawing into one institutional framework the several tiny universities and colleges that had previously operated independently. But the Université de Moncton was still very much a Catholic institution, controlled by the Holy Cross Order, and functioning along the very lines that the Parent commission had rejected for Quebec.

Few royal commissions are ever given the opportunity of returning to review their handiwork some years after their recommendations have been put in place. But New Brunswick did just that, reconstituting the Deutsch commission in 1967 with the same membership, and calling it the Committee on the Financing of Higher Education in

New Brunswick. The reason for this unusual procedure can be found in the original commission's central recommendation that its proposed method of financing universities be put in place for five years and then reviewed. This review afforded the second Deutsch commission the opportunity of revisiting the institutional structure as well. And in seizing the opportunity, the commission took dead aim at Moncton's denominational control, setting out in considerable detail the nature and composition of the bicameral governing structure of board and senate that ought to replace it. The ownership and administration of the university, Deutsch argued, "... should be transferred to a **public trust** which should be established under a charter granted by an act of the Legislative Assembly."[19]

Transforming the Université de Moncton into a fully public institution responsible for all French-language education in New Brunswick was to be a complex and lengthy process, not only because of the central role historically played by the small Catholic colleges, but also because of the community interests arising from their physical dispersion.

The first step was taken almost immediately after the report of the second Deutsch inquiry, when a new governing body was established, the conseil des gouverneurs, which included both government appointees and alumni representatives. An academic senate was created at the same time. Five years later, in 1972, the second major step was taken with the establishment of a university faculty of arts, separate and distinct from the affiliated colleges. Indeed, Collège Saint-Joseph ceased operations while the three remaining Catholic colleges, Collège de Bathurst, Collège Saint-Louis-Maillet in Edmundston (an amalgamation of the two previously separate colleges), and Collège Jésus-Marie in Shippigan were affiliated directly with the university.

New Brunswick was moving slowly but inexorably toward the goal set out in the original Deutsch royal commission: two provincial universities, one English and one French. Mount Allison stood apart from this arrangement, retaining its direct connection with the United Church and operating much as a private liberal arts college, albeit publicly supported, on a non-sectarian basis.

Nova Scotia also had an abundance of small, denominational colleges, but in this case the provincial government chose to play a much less direct role in pursuit of rationalization. The result was that the changes which did occur were less dramatic and less coherent. This was not the result of an absence of ideas or proposals, however.

The most rampant proliferation was clearly within the Catholic community which operated no fewer than six degree-granting institutions, half the total in the province. Efforts to rationalize this system-within-a-system centred on Saint Mary's and Mount Saint Vincent, the former for male students and the latter for female students, and both located in the Halifax metropolitan area. Proposals for an outright merger were rebuffed by Mount Saint Vincent in the early 1960s. It then moved to acquire full university status under private legislation in 1966, which also added lay alumni representatives to the governing board (the university was legally under the control of a corporation consisting of representatives of the Sisters of Charity which owned the university, but the corporation exercised its powers through a university board of governors; it would be 1988 before a lay board assumed control of the university). Saint Mary's decision to become coeducational in 1968 was not well received by Mount Saint Vincent.

That decision did, however, pave the way for the absorption by Saint Mary's of the university-level work for girls of the Convent of the Sacred Heart, also in Halifax. Another Catholic institution, the Holy Heart Seminary, which offered degrees in theology in affiliation with Laval, was closed in 1969. Its work was assumed by the new Atlantic School of Theology, which combined the theology programs of Holy Heart, Pine Hill (United Church) and King's (Anglican).

The consolidation of university work in the Halifax area had become one of the principal preoccupations of the Nova Scotia University Grants Committee. The UGC was not necessarily promoting full integration. Indeed, it specifically rejected any thought of reviving the idea of a University of Halifax. Rather, it envisaged: "... a group of relationships, each one different from the other, and each designed for the betterment of all, in which the autonomy and individuality of each institution, as far as possible, is preserved."[20]

A series of bilateral committees was established, each representing Dalhousie and one of the other institutions (King's, Saint Mary's, Mount Saint Vincent, the Nova Scotia College of Art, the Nova Scotia Technical College, and the Maritime School of Social Work). The task of each committee was "... to work out the details of their respective affiliations and co-operative efforts."[21]

This process yielded some immediate success. Within a year, Mount Saint Vincent, King's, and the technical college had all signed cooperative agreements with Dalhousie. The Maritime School of Social Work went even further and was absorbed entirely by Dalhousie. That turned out to be the high point of the exercise, however.

Mount Saint Vincent's five-year agreement was subsequently extended, and while it did provide for joint honours degrees and cross-representation on each other's boards and senates, it never developed as the UGC thought it would when it was announced in 1969 that Mount Saint Vincent had become a college within Dalhousie.[22] The college of art, meanwhile, acquired its own degree-granting powers in 1969 (under the new name of the Nova Scotia College of Art and Design), and its subsequent relocation to an historic site on the Halifax waterfront set it firmly on an independent path. For its part, Saint Mary's acquired a new charter in 1970 which retained a Catholic connection but firmly established Saint Mary's as a public institution, reorganizing the board of governors, creating a senate, and providing for the purchase of the university property from the archdiocese. The first lay president was appointed at the same time.

Outside of Halifax, St. Francis Xavier University in Antigonish, with its satellite junior college in Sydney, was not a candidate for consolidation, but it did acquire substantial independence, while retaining a clear church affiliation. Collège Sainte-Anne, at Church Point, was almost bankrupt and had few students. It gave up its church control but survived countless efforts at restructuring and relocation. The UGC had proposed in 1968 that Sainte-Anne become a bilingual junior college and relocate to Yarmouth. In 1969 a blue-ribbon tribunal on bilingual higher education proposed that it form part of a new regional bilingual community college based in Meteghan (a small community on St. Mary's Bay, close to both Yarmouth and Digby).[23] The college remained in Church Point, however, its survival more the product of political than of educational necessity. Enrolment continued to fall, reaching the ludicrous situation by 1973-74 where a staff of 27 taught 83 full-time students.[24]

On the non-Catholic side, Acadia also moved away from denominational control. In the midst of considerable controversy, the Baptist Convention gave up its majority on the board in 1968. Of the 36 members, only 14 would henceforth be appointed by the church.

Prince Edward Island, in sharp contrast with Nova Scotia, moved decisively in the direction of consolidation. By 1966-67 it was evident that the two universities, St. Dunstan's and Prince of Wales, were not prepared voluntarily to coordinate their activities or programs. In May 1967 the government stepped in with legislation creating the Universities Coordinating Council, comprising seven representatives from each university and four government appointees, including the deputy minister of education and the deputy provincial treasurer. But this mechanism proved no more effective. In the words of Premier Alex Campbell: "It seems clear to us that this action has not produced the desired results, and that additional steps must now be taken."[25]

Initially, the additional steps involved creation of a university grants commission. It was to have considerable power over the two institutions:

> The commission may require . . . a university to cease to provide or offer, or to withdraw, any service, facility or program of studies involving monies at the disposal of the commission which, in the opinion of the commission, is adequately offered or provided by another university or for which, in the opinion of the commission, there is no substantial justification . . . .[26]

The proposed legislation caused an immediate furore within Prince of Wales, with faculty, students, the principal and even the board united in opposition. The president of St. Dunstan's, on the other hand, indicated his institution could live with the proposed commission.[27] What followed then was quite astounding. The premier announced that the legislation would be amended so as to create ". . . a single university of a non-denominational character and as a public institution."[28] All of this was to form part of the island's comprehensive development plan, thereby qualifying for federal financial support, and included two other components: creation of a college of applied arts and technology, and establishment of a student aid program. The premier's statement was quickly followed by the resignation of the principal of Prince of Wales, Frank MacKinnon.

The government proceeded quickly but carefully to establish its two postsecondary institutions. In July Dr. Edward Sheffield, whose enrolment projections had prompted and guided university expansion in Canada since 1955, was appointed adviser to the government and in that capacity chaired planning committees for each of the institutions, as well as a joint committee to coordinate the projects. By April 1969 legislation was passed creating the new university and college, and on July 1, 1969 the University of Prince Edward Island and Holland College both came into being. By an ironic twist of fate, the 1969 spring convocation of Prince of Wales University was at once its first and its last.

Alberta had abandoned its one-university policy in 1966 when legislation not only granted independence to the University of Calgary, but also provided for the creation of new universities by order-in-council. Lethbridge moved quickly to take advantage of that provision. A group of local citizens had been pushing for their own university since the expansion of the mid-1950s began. They had succeeded in acquiring a junior college in 1957, but their sights were set on a full university. In 1964, the college petitioned the provincial government for authority to offer undergraduate degrees. It was not successful in that, but the following year it did obtain approval from the University of Alberta to add the second year of university work. At the same time, the city council commissioned a private consulting firm, which concluded that "... a third university will be required in Alberta within the next decade." It advised, further, that "... plans ... should be formulated today so that the University of Alberta at Lethbridge may be operative by 1970."[29]

In fact, events were to move much faster than that. In July of 1966, the minister of education surprised the board of Lethbridge Junior College by indicating, in words attributed to him by Owen Holmes, "You've been asking for a university, well now you have it."[30] It was some time before the exact implications of that statement were clarified, including whether it implied an expanded role for the college or a new institution. Enrolment grew steadily, from 639 in 1967 to more than 1,400 in 1970, but the University of Lethbridge had considerable difficulty in reaching institutional maturity. One student of postsecondary education policy in Alberta, Peter West, suggests that as early as 1970, "it was becoming apparent that the University of Lethbridge was a costly mistake."[31] It certainly pointed to the limitations of university development without overall planning.

Yet it was provincial planning that led to the decision to establish a fourth university in the province. Concern over the pace of growth of the University of Alberta in Edmonton had spawned consideration of a second institution for that city in 1966, but the anticipated cost of such a move caused the government to hesitate.[32] Then in December 1969, with a new minister of education, the decision was taken to proceed, and planning began for Athabaska University in St. Albert, near Edmonton. This decision was confirmed by an order-in-council issued in June 1970, with the expectation that the institution would be operating by September of 1973.[33]

The minister of education was unusually specific about the type of university the government had in mind:

> The Government considers that this new member of the university system should reflect unique educational objectives. The university should limit its undergraduate programs to faculties in arts, science and education. At the graduate level, the Province's fourth university should stress the humanities and the social sciences. With its major research efforts limited to disciplines in these fields, our fourth university should contribute uniquely to the cultural and social life of the province.[34]

The academic plan developed for the new university was certainly bold. Indeed, it had striking similarities to that put in place for the Université du Québec. Students and faculty would be organized into "modules" (much like colleges), while instruction would be offered in four "fields" (environmental problems, human community, humanities, and communications), each the responsibility of a "board of study."

Alberta had been a pioneer in the development of junior colleges, beginning with Lethbridge in 1957. Over the subsequent decade, the emergent system was expanded with the establishment or integration of both public and private institutions. In 1965 the advisory survey committee commissioned Dr. Andrew Stewart, former president of the University of Alberta, to undertake a special study of junior colleges. Stewart recommended that a province-wide system of regional colleges be established jointly by school boards and the university.[35] This proposal was not immediately accepted, but led to the establishment of the Provincial Board of Post-Secondary Education to continue studying the idea. In 1967, the board proposed a comprehensive college system, separate from school boards and operated under institutional boards of governors. Moreover, the college system should include not only the five junior colleges, but also the institutes of technology and the agricultural and vocational colleges.[36] Gordon Campbell makes an interesting observation with respect to the board's approach to the formulation of policy:

> The board, with its direct access to both the public and the cabinet, helped the grinding machinery of law to shift gears more rapidly than the processes of government normally allow. All in all, the process of participatory democracy worked so well that when the legislation eventually arrived on the floor of the house, there was province-wide agreement as to its desirability.[37]

The legislation in question consisted of amendments to the Junior Colleges Act, removing the term "junior," establishing boards of governors for all of the colleges, and creating a coordinating colleges commission to replace the temporary board. As Desmond Berghofer and Alan Vladicka observe:

> Between 1967 and 1971, Alberta's colleges developed from a network of junior colleges concentrating largely on university programs into a distinct system of comprehensive colleges, coordinated by a provincial commission on an equal basis with the universities.[38]

As provincial policy moved to the final stages of completing the institutional network of universities and colleges, the issue of coordination moved to centre stage. And the favourite instrument of coordination, at least in the early years, was the intermediary or buffer agency.

Intermediary Agencies. Canadian university leaders, especially but by no means only on the faculty side, were devoted to the myth of the University Grants Committee in Britain with a passion that bordered on the unseemly. Its attraction derived from the prospect of continued public support coupled with protection from government direction. Often missing was any appreciation of the responsibility that attends autonomy at public expense, or even of the control of university staffing and finances actually exercised by the British committee.[39] Not surprisingly, most intermediary agencies fell short of the ideal, frustrating governments because they could do little to force coordination of university programs and activities, and frustrating the universities because they could not extract sufficient funds from government. Nonetheless, they became an accepted part of the relationship between provincial governments and their universities.

By 1968 all but two of the provinces had established some kind of intermediary agency. The only exceptions were Newfoundland and Saskatchewan, each of which had but one university. The agencies varied considerably in their roles and composition, but they also exhibited some common features and problems.

The Nova Scotia University Grants Committee was the first of the buffer agencies, established in 1963. It successfully guided the province's re-establishment of general operating support for universities, and through its early years had an effective working relationship with Premier Stanfield (who was also minister of education) and the university presidents. It was less successful in later years, however, especially after the election of the Liberal government of Gerald Regan in 1970. The committee itself conceded that it had lost much of its influence with government on at least one issue, the future of Collège Sainte-Anne: "Following the election of 1970 . . . the new Minister of Education met with representatives of Collège Ste-Anne. The University Grants Committee has not been advised of the transactions at this meeting."[40]

Nor was it faring much better with its other client group, the universities. In 1973 it reported approval of a new MBA program at Saint Mary's with the telling admission that: "This degree is already being given at Dalhousie and it is generally recognized that there is no need for a second course in this field in Nova Scotia."[41]

British Columbia had created a two-part buffer mechanism in 1963-64, but neither part of it functioned effectively in that capacity. The academic board, for its part, confined itself mostly to supervising the academic standards of regional colleges, while the financial advisory board deferred to the university presidents. As Bernard Trotter noted with some irony, ". . . this has meant that the universities themselves have reached agreement about the division of the total funds made available by the government."[42]

Ontario's CUA, by contrast, was much criticized for being too close to the government. It was, by its terms of reference, an advisory body, with a mandate ". . . to study matters concerning the establishment, development, operation, expansion and financing of universities in Ontario and to make recommendations thereon to the Minister of University Affairs for the information and advice of the Government."[43]

Yet the committee behaved as an intermediary body, consulting with the universities regularly and at length. Most important, its advice was almost always accepted by government. The CUA's 1968-69 report on its meetings with universities is revealing:

> Whereas only two or three years ago it was customary for universities to be represented by the Chairman of the Board of Governors, the President, and perhaps two or three other senior officials . . . . University delegations now regularly include significant numbers of members of Senate, academic staff, and students. Instead of discussing line-by-line details of proposed budgets, discussion focuses on planning and on the particular problems of the institution . . . .[44]

The CUA made a number of significant contributions to public policy respecting universities, with an influence that extended well beyond that province. In this, it served to underscore the capacity of federalism both to foster provincial experimentation and to facilitate the transfer of successful experiments to other provinces. One such contribution, which we will return to shortly, was the development of a formula for operating grants. Another was the comprehensive review of graduate programs, undertaken by an advisory committee on academic planning, itself established by the committee of presidents of universities of Ontario (this was the successor to the original Committee of presidents of provincially assisted universities of Ontario, and would be transformed into the Council of Universities of Ontario in 1971), but with the active support of the Committee on University Affairs.

The Alberta Universities Commission, established under the Universities Act of 1966, appeared from its terms of reference to be a much more powerful agency than Ontario's CUA. For one thing, Alberta's commission included in its membership both the deputy minister of education and the deputy provincial treasurer, whose memberships were transferred from the university board of governors, while it was chaired by the former deputy minister of education, Dr. Swift. For another, it possessed executive authority to distribute provincial funds to individual institutions and, as well,

> . . . to approve, or decline to approve, the acts of a board of governors in establishing academic salary scales, tuition fee scales, and academic staff pension plans; [and]
>
> . . . .
>
> . . . to supervise and control the expansion of programs by a university in order to reduce or avoid unnecessary or undesirable duplication.[45]

And yet, coordination of university development required more than legislative authority. Peter West's observation is particularly telling: "The Commission was so reluctant to make regulations that it floated between the universities and government, becoming drawn, in the end, towards the role of spokesman for the universities."[46]

West goes on to document the commission's problems with an example that warrants mention here because of the depressing light it sheds on the prospects of voluntary cooperation among universities, so often touted as the alternative to government coordination and characterized at the time as "collective autonomy." The incident arose out of a 1968 proposal to the universities commission from the University of Alberta to develop a faculty of architecture. According to West, the commission preferred that it be established within Calgary, but left the decision to the Alberta Universities Coordinating Council, a body equally representative of the three universities, which had initially endorsed the proposal. The final decision was to be taken by the council at a meeting on April 29, 1969:

> The meeting was held in Calgary, and the delegates from Edmonton had to travel down by aeroplane. But two of them missed their flight, and telephoned to say that they were driving down instead. The Chairman began the meeting without them. Dr. John's motion endorsing the earlier decision to locate the faculty at Edmonton was ruled out of order. A motion that this decision be revoked was put to the meeting and the vote was taken. The nine Calgary delegates voted for the Calgary location; the seven Alberta delegates present voted against it; all the Lethbridge delegates, including the Chairman, abstained.[47]

The action of the Lethbridge delegation was subsequently explained by the president in a letter to Peter West:

> The grounds were, first, educational, i.e., Calgary had all that was necessary for a good program; second, self-serving, i.e., to establish that everything didn't automatically go to the University of Alberta allowing something possibly to come to Lethbridge in the future; and third, a bit of spite, i.e., the University of Alberta was so cocksure, even patronizing that an opportunity to put it down couldn't be resisted.[48]

And with appropriate irony, West suggests that it was the universities commission that took the brunt of the resultant anger within the University of Alberta.[49]

Manitoba moved in two stages to establish its intermediary agency. In 1965 the Council on Higher Learning was created, and it was the recommendations of that council which led to the establishment of the University of Brandon and the University of Winnipeg (formerly United College) as autonomous institutions. Now with three publicly funded universities, Manitoba established its University Grants Commission in 1967, subsequently phasing out the Council on Higher Learning.

The legislation creating Manitoba's commission was explicitly respectful of university autonomy, prohibiting the commission from interfering:

a) with the basic rights of a university to formulate academic policies and standards;

b) with the independence of a university in fixing standards of admission or of graduation; or

c) with the independence of a university in the appointment of staff.[50]

At the same time, however, the commission had explicit authority to grant or withhold permission for a university to offer a new program or expand an existing one, and to require a university to terminate a program if in the commission's judgment it was not justified or was adequately offered in another university.[51] In fact, according to the president of the University of Manitoba, Dr. Hugh Saunderson, "the U.G.C. didn't exercise this authority during my experience."[52]

It was New Brunswick's intermediary agency, the New Brunswick Higher Education Commission, which many considered the most effective of the provincial buffers. Its origins were as intriguing as its success. The original Deutsch royal commission had recommended in 1962 that the province adopt a five-year plan for financing its universities, and that a new commission be appointed after each five-year interval to make recommendations for the next quinquennium (this, of course, was the pattern of the British UGC).[53] This pattern was followed only once, and when the second review was completed in 1967, with exactly the same membership as the original commission's, it was to acknowledge that because of the change in federal-provincial relations and the dynamic nature of university development generally, "we do not think that it will be feasible at this time to attempt to recommend a scheme of grants for a full five-year period."[54]

Instead, the committee proposed that funding be established for two years only, and that a permanent advisory commission be established.[55] In accepting this advice, the government named J.L. (Jim) O'Sullivan to chair the new eight-member commission. O'Sullivan was not only one of an impressive group of civil servants recruited to senior positions by the New Brunswick government, but he had also served as secretary to both of the Deutsch inquiries. The success of the New Brunswick Higher Education Commission (the original name was the Post-Secondary Education Commission, but this was changed by statutory amendment within the first year) ultimately rested on two factors. On the one hand, despite the fact that its powers were merely advisory, "successive governments largely accepted its advice . . . ."[56] But, just as significant: "Successive governments made it clear that attempts by universities to make end runs around the Commission would not be tolerated or rewarded."[57]

Of course, New Brunswick had gone some distance to rationalize its university system **before** establishing its intermediary body. The commission, however, continued the process and worked in particular to assist in the further consolidation of Moncton's affiliated colleges. Success in that venture, however, would take another decade.

One project initiated by the commission met with more rapid success. In 1972 the commission's two-year plan contained a proposal for a provincial community college system. But this would be unlike any other system in the degree of its centralized control. In fact, the commission proposed that there be a single college corporation, the New Brunswick Community College, "with the authority to direct, control and finance a system of community colleges."[58] Legislation establishing just such a centralized system, without university-level responsibilities, was introduced in 1973 and passed in 1974.

The neighbouring province of Prince Edward Island had also taken a major step toward rationalization, establishing a single provincial university and community college in 1968. The third pillar in that postsecondary policy turned out to be the Prince Edward Island Commission on Post-Secondary Education, headed by Dr. Edward Sheffield. Legislation establishing the commission was passed in 1968, but its proclamation was delayed for a year while planning committees, also chaired by Dr. Sheffield, prepared the ground for the two new institutions.

The Prince Edward Island commission was unique among Canadian intermediary agencies in that its scope extended to both the university and college sector. In this, it begs the interesting question of why no other province chose this route. Moreover, the legislation establishing the commission enunciated a highly centralized approach to planning for the two sectors. The task of the commission was:

> . . . **to direct** the planning and development of education at the post-secondary level for the Province of Prince Edward Island and **to provide** the youth of the Province with the educational opportunities necessary for them to fully participate in the advance of the Province and the Nation.[59]

At its very first meeting, the commission backed away from this centralized planning and control. According to its own report, the commission chose to interpret the phrase "to direct" as really meaning "to guide, assist, advise, suggest, persuade." And by like token, the phrase "to provide" was interpreted as meaning "to assure provision of."[60] By its own decision, then, the commission became a mostly passive intermediary, advising government of the financial requirements of the university and college on the basis of requests received from the two institutions.

In the case of Quebec, neither the Conseil supérieur nor its constituent Commission de l'enseignement supérieur, both established with the provincial Department of Education in 1964, had been designed as intermediary agencies. Rather, they were intended to be broadly representative of the public and to represent the public interest in advising the minister. According to James Whitelaw, the contribution of the Commission "... in relaying the views of the provincial population to the Superior Council has not been noteworthy." Perhaps, Whitelaw continued, this is "... because it has been composed almost exclusively of academics."[61] The Conseil supérieur had twice recommended a strengthened higher education agency, apart from the provincial department.[62] For their part, the universities were chafing under what was perceived to be an excessively technocratic approach by the provincial department and, at least as represented through the recently incorporated Conférence des recteurs et des principaux des universités du Québec (CREPUQ), pressed for a British-style grants commission.[63]

The government's response reveals once again the provincial penchant for balance in relations with universities. In December 1968, at the same time as it established the new state university system, the Université du Québec, it created a buffer agency, the Conseil des universités. Independent of the Conseil supérieur,[64] the 17-member Conseil des universités, the majority of its members drawn from the universities, was charged with advising the minister on a variety of matters, including the objectives of higher education, operating grants and their distribution among institutions, and financial reporting procedures. In one respect, Quebec's Conseil des universités was unique among provincial intermediary agencies: the minister of education was obliged, by law, to seek the advice of the council on a variety of matters of major policy significance to the universities.[65]

One of the first tasks undertaken by Quebec's council was to pick up on what had by 1970 become a major theme of public policy respecting universities, joining several of its provincial counterparts in seeking to devise an acceptable formula for the distribution of provincial operating grants.

Formula Financing. The idea of formula financing in Canada can be traced, via two routes, to Queen's University. The first of these routes travels through New Brunswick and the 1962 Royal Commission on Higher Education, chaired by Dr. John Deutsch, then vice-principal of Queen's. That report, borrowing from British experience, set out a practical formula which was subsequently put in place by the provincial government. It consisted of two parts: a fixed operating grant for each university to be paid annually for a period of five years, and a variable per student grant to be paid annually on the basis of current enrolment.[66]

The second route goes via Dalhousie University and the 1964 speech by Dr. J.A. Corry, principal of Queen's, on the occasion of the installation of Henry D. Hicks as president of Dalhousie. In that speech, Corry set out fully and forcefully the case for formula financing, finding it the only effective device by which the government's need for accountability could be balanced against the university's need for autonomy:

> I see here only one possible answer. Governments must be able to get the needed financial assurances without detailed examination and assessment of university operating budgets year by year.
>
> ....
>
> I urge the device of formulas because I am satisfied that a practice of examining the proposed university operating budgets year by year will drive governments, even against their own wills and desires, into detailed intervention in university affairs.[67]

He then went on to suggest two approaches to formula financing. The first would be "a fairly simple formula providing for a fixed amount per registered student...."[68] This approach, Corry argued, would be appropriate only for provinces with one or two universities, and it was exactly the approach adopted by Alberta in 1964. Corry's second approach was that recommended for New Brunswick by his vice-principal, with one significant refinement:

> For the per student grants, categories of students according to the expensiveness of their education would have to be established and weighted uniform amounts assigned for each category, very high for graduate students and for medical students and dental students, moderately high for students in science and honours arts programmes, and lower for others.[69]

This proposal was then taken up and endorsed by the Bladen commission on university finance, which recommended in its 1965 report:

> . . . that all provinces give serious thought to the advantage of determining the annual operating grants by use of a published formula relating the size of the grant to the number of students in various categories weighted in accordance with the different cost per student in such categories . . . .[70]

Nova Scotia's University Grants Committee had anticipated this approach in its recommended allocation of operating support for 1963, which explicitly took into account ". . . the relatively high cost of providing higher education in the professional schools and in graduate studies."[71] The same principle was embodied in the federal grants for 1966-67, although only after determining the distribution of funds to provinces on the basis of population. What was missing from Nova Scotia's approach, however, was any objective measure or standard by which the relative costs of different programs might be assessed and compared.

It was precisely this missing element which the Ontario CUA put in place in 1966. And in so doing, the CUA established the basic pattern of formula financing that would become the model for most of the provinces. Ontario, like most provinces, had employed a "deficit financing" approach to the determination of grants. On the basis of a detailed examination of each university's operating budget and proposed development, the CUA determined the "deficit" remaining after expenditures were pared to an acceptable level and non-governmental sources of revenue were subtracted. This "deficit" was then forwarded to the government as the recommended grant. The attraction of a formula in these circumstances was obvious; it would obviate the need for subjective decisions about appropriate levels of expenditure.

The details of the formula were developed by a joint sub-committee appointed by the CUA and the committee of presidents, and approved by the minister in November 1966 for use in the distribution of operating grants for 1967-68.[72] The scheme consisted of three key elements: weighted enrolment, standard tuition fees, and the per unit value of the provincial grant. Weighted enrolment, or the number of "basic income units" credited to each university, was simply the actual number of students on December 1 of the year in question, multiplied by weighting factors applicable to specific programs. Programs were grouped into eight categories, based on approximate average costs per student derived from a study within the University of Toronto, and each category was assigned a weight, ranging from 1 for undergraduate arts and science programs to 6 for Ph.D. programs. Part-time students were included simply by counting each student as a fraction of a full-time student and then applying the appropriate weight.

To calculate a university's operating grant required two further steps. The weighted enrolment was first multiplied by the per student value of the provincial grant for the year in question. The specification of this value was the most critical decision in the government's funding of universities. The value of each basic income unit for 1967-68 was set at $1,320. The CUA was well aware of how significant this factor was for the universities, and for the efficacy of formula financing, when it recommended:

> That the value of the basic income unit be determined by the Government on the advice of the Committee on University Affairs. Subject to the ability of the Government to make the required funds available the value should be set at a level, rising each year, which will produce income sufficient to maintain present standards of quality and modest but steady improvement in the work of Provincially Assisted Universities.[73]

To the universities, this was the real attraction of formula financing: it might incorporate an objective standard for determining the appropriate level of provincial operating support, as well as for its distribution among institutions.

The third element in Ontario's formula was the concept of standard tuition fees. The standard fee was simply the average fee actually charged at the time, and it established the fee revenue that universities would be assumed to have at their disposal. It also marked an explicit provincial policy to control the level of tuition fees, a policy followed with greater or lesser vigour by most provincial governments. With this, calculating a university's operating grant was simple: the number of basic income units (weighted enrolment) was multiplied by the prescribed value of each unit and from this was subtracted the aggregate value of tuition fees calculated at the standard level.

The Ontario formula quickly became the model for several other provinces. Alberta, for example, introduced "a modified form of what has come to be referred to as the Ontario formula" in 1967.[74] Manitoba and Nova Scotia followed suit a year later, while Newfoundland, British Columbia, and Prince Edward Island developed limited versions of formula financing in 1968, 1970, and 1971 respectively.

One feature of the "Ontario formula" that was not copied in other provinces was the independent determination of the unit value of provincial support, a feature by which the formula actually determined the total level of provincial support. This open-ended feature was quickly abandoned in Ontario as well. For 1968-69 the CUA had recommended a basic income unit value of $1,450, an increase of almost 10 per cent, and the provincial government accepted this as the determinant of its total grant, including a mid-year supplementary appropriation of $12.7 million required to cover the excess of actual enrolment over earlier projections. For 1969-70, however, the government specified in advance the total that it was prepared to make available for university operating grants, forcing the CUA to recalculate the value of the basic income unit, not by incrementing the previous year's but by dividing the projected enrolment into the dollars made available (the result was a value of $1,530, $10 less than the committee had earlier recommended, and an increase of 5.5 per cent over the previous year).[75]

Even having lost this feature, formula financing continued to afford protection against governmental involvement in institutional decisions, as Corry had so forcefully argued it would, and it was manifestly equitable in its distribution of available provincial funds, even if extra-formula grants were sometimes required to deal with special cases.[76]

Ontario's use of an enrolment-based formula was extended in 1969 to encompass capital as well as current grants. In this case, the formula set a standard amount of space required for each student: 130 square feet, with student numbers weighted by the space requirements of their programs. With that, one had only to multiply the weighted enrolment by this standard and subtract the space actually available to determine each university's need for additional capital construction. At a standard $55 per assignable square foot, this became the university's capital "entitlement."[77] Subsequent construction was then financed by the sale of debentures to the provincial Universities Capital Aid Corporation which, since 1966, had been given access to the substantial pool of capital available to Ontario under the Canada Pension Plan.[78] In short order, Alberta, New Brunswick, and Quebec adopted similar approaches in measuring capital needs, and New Brunswick even copied the exact Ontario formula.

Quebec had a particular preoccupation which conditioned its approach to formula financing for operating purposes. By virtue both of a tradition of limited provincial support, and of greater access by the English-language universities (and especially McGill) to private support, there existed by the 1960s a very substantial disparity in the per student revenues of the several universities, with the French-language institutions uniformly on the low side of the scale. Understandably, the provincial government was anxious not to institutionalize such disparities, even if it was constrained in its capacity to pursue a vigorous program of *rattrapage* or "catching up."[79]

After reaching an accommodation with the federal government in 1959-60, Quebec had followed the typical provincial pattern of financing the approved "deficits" of its universities (that is, the approved expenditures minus all available revenue). In 1964, it separated student services from this general approach and instituted a separate grant for that purpose, equal on a per student basis for all institutions. This required not only that the provincial government, through its new Direction général de l'enseignement supérieur (DGES), obtain accurate counts of university enrolments (as the basis for calculating the student services grant) but also that it have access to university financial accounts (to ensure that the earmarked grant was not diverted to other purposes). The universities resented this governmental intrusion, and called repeatedly for a program of formula financing that would be more respectful of institutional autonomy.[80]

When formula financing was introduced in Quebec, for 1968-69, it was based on a distinct approach. Instead of a single value per weighted student, as in the Ontario model, Quebec's formula specified different values for each of eight categories of operating expenditure.[81] The initial per student value for each category was set at the existing average for all universities. The sum of the amounts calculated for each category (using unweighted enrolment) yielded the university's approved operating expenditure. Subtracting non-governmental revenues, essentially tuition fees, yielded the provincial grant.[82]

By using average per student expenditures in several functional categories as the basis for approved institutional expenditures, Quebec was clearly pursuing a levelling objective. Moreover, by deducting tuition revenues it was transferring effective control of tuition policy, as in Ontario, to the provincial government. And with that, Quebec chose as a matter of continuing policy to freeze tuition fees at their 1968 levels.

By separating salaries into a separate account, Quebec's formula also had the effect of creating a virtual provincial salary policy. Jean-Pierre Fortin suggests that a three-way relationship quickly developed with respect to salaries: the universities assured themselves in advance that proposed salary settlements would be acceptable to the provincial treasury board, while the ministry of education incorporated treasury board guidelines into the funding formula.[83]

Part of the provincial salary policy involved reducing disparities in salary levels between institutions which, in this case, were more significant between professional schools and academic programs than between anglophone and francophone institutions. For 1970-71, for example, the total salary account ("masse salariale") was increased by 7.5 per cent. But for individual institutions, the allowable increase ranged from 1.0 per cent (École des Haute Études Commerciales) to 8.9 per cent (Université du Québec).[84]

Newfoundland had initially embarked on a quite different and novel course when Premier Smallwood announced in 1965 a policy of free tuition and government stipends for Newfoundland residents attending Memorial University. The resultant program was phased in, beginning in the 1966-67 academic year, when 3,637 students received tuition waivers worth $1.4 million, and 595 students received allowances and fellowships costing $300,000. Ironically, the program reached its zenith just one year later, when over 4,000 students received free tuition and over 1,500 received fellowships and allowances, at a total cost of $2.5 million.[85]

This was a bold approach to university finance, placing the entire burden directly on the provincial government. It was too bold for the other provinces, none of whom followed Newfoundland's lead. It proved to be too bold even for Newfoundland. In 1967 the Warren commission report roundly criticized the scheme. "It is our opinion," the commissioners argued, "that higher priority should have been attached to other uses of some of these funds, such as strengthening the elementary and secondary programmes in the schools."[86]

The commission recommended that the experiment be scrapped, and the government accepted the recommendation. Beginning in 1968-69, the whole scheme was brought within the scope of the established Canadian approach to student assistance: a needs test was applied to a student's entitlement, and the first portion of that was to be borrowed through the Canada Student Loans Program. In that same year, Newfoundland also introduced a simple enrolment-based formula, with grants calculated at $2,000 per student, a figure that was to be adjusted annually.

Saskatchewan tried quite a different approach. Fresh from re-election, Premier Ross Thatcher delivered a speech in October 1967 in which he expressed concern that "today the elected representatives of the people have virtually no control over university spending." To ensure such control, he announced that

> . . . we intend at the next Session to reform our *University Act* in a major way . . . . [T]he University will be obliged to make its financial requests to the Legislature in the same manner as any other spending department. For example, they will have to request so much for salaries, so much for travelling, so much for new buildings, etc.[87]

There followed a major public furore within the university and the press, in which the university board and president declined to participate but in which the faculty association was a major player. According to President Spinks,

> . . . a succession of speeches and press releases served to keep the pot boiling most of the winter. From time to time members of the Board would meet with members of the Government and get agreement on the main points at issue, and then a day or so later another speech or press release would upset the apple-cart again.[88]

In the event, no legislative changes were made to increase government control, and while the university's grant was presented to the legislature in seven functional categories, the whole of the operating grant was treated as a single vote. The episode did, however, reveal a deep division within the university. Writing in the CAUT *Bulletin*, Professor John Courtney suggested that the president's "quiet diplomacy . . . may well have helped to win the battle, but it may also have helped to lose the war. For the danger . . . is that the university may have lost its independence by giving up its independent will."[89]

For his part, the president suggested that the whole thing was "a diversionary political tactic" undertaken by a faculty association demonstrating "symptoms associated with the Berkeley-Columbia-Simon Fraser syndrome."[90]

The Government of Saskatchewan had clearly backed down in this attempt to gain greater control over university expenditures. But there remained an underlying concern with rising costs, inadequate accountability and, for provinces with more than one university, lack of coordination. From this came the fourth component of provincial policy, designed to provide provincial cabinets with stronger bureaucratic support.

Building Provincial Bureaucracies. In 1964, Ontario and Quebec became the first two provinces to establish units within their public services concerned exclusively with university affairs. In doing so, they pursued two quite different approaches. Quebec created a specialized unit within the Department of Education (the direction général de l'enseignement supérieur, DGES) while Ontario established a separate department of university affairs, albeit initially with the same minister as the Department of Education.

The impetus for Quebec's initiative was, of course, the Parent royal commission. In Ontario's case, the proposal initially came from the CUA which offered three alternatives in its 1964 report. These included a unit within the premier's office, a branch within the Education Department, and a separate department of university affairs.[91] The reaction of the university presidents was interesting. According to their 1966 report, the decision to create a separate department "... brought relief to the universities; they would not be under the Department of Education."[92] Perhaps they were reacting in part to a view held by many in Quebec, that their department and its university branch were excessively technocratic in approach and insensitive to the institutional autonomy of universities.[93]

British Columbia was the next to act, in 1966. It followed the Quebec model in that the unit was created within the Education Department. But British Columbia also established a new feature, with one unit responsible for both universities and colleges. Professor John Chapman, a geographer with the University of British Columbia, was appointed acting assistant superintendent of the nascent division of university and college affairs in the fall of 1966.[94] His principal concern was with enrolment projections and the consequent planning of colleges. Professor Chapman's role was assumed by a full-time complement of officials when the division was formally established in September 1967.

Four years later, Ontario adopted and extended the British Columbia initiative, adding responsibility for colleges to its department, and changing its name accordingly to the Department of Colleges and Universities. Manitoba followed suit almost immediately, creating the Department of Colleges and Universities Affairs by order-in-council in September 1971.

Alberta quickly pushed this idea one step further, and in so doing created what would subsequently become the provincial norm. Following an election and change of government in 1971, Premier Peter Lougheed created the Department of Advanced Education. What was unique in this was the comprehensiveness of the department's responsibilities, including not only the universities and colleges, but also technical institutes, vocational centres and agricultural colleges. According to Berghofer and Vladicka, this signalled the beginning of a new stage in the development of higher education in Alberta[95]: "The government was clearly moving by stages toward the complete consolidation of post-secondary education under the Department of Advanced Education."[96]

In 1972, Saskatchewan became the fourth province to establish a single comprehensive department for postsecondary education, in this instance designated the Department of Continuing Education. Michael Hayden probably reflected the view of many university people when he wrote: "The university was now one among several kinds of post-secondary education and not necessarily the most important."[97]

British Columbia, meanwhile, continued with a specialized unit within the Department of Education, but expanded its scope considerably. In 1971 it assumed responsibility for adult education, and became the division of postsecondary services (in 1973 it would be merged with the unit responsible for technical and vocational programs to become the division of postsecondary education). This left only the four Atlantic provinces without an internal bureaucratic competence, leaving them dependent on the universities and their intermediary agencies. It is at least worth noting as well that while provinces were generally moving in the direction of comprehensive bureaucracies, they did not move to consolidate their intermediary agencies.

Much more was in the wind than the strengthening of provincial bureaucracies, however. As the 1960s gave way to the 1970s, some ominous clouds were gathering on the universities' horizons, promising darker days ahead.

Some Ominous Signs

The sheer magnitude of university expenditures was becoming a troublesome issue for government. Over the decade of the 1960s, between 1960-61 and 1970-71, total government operating and capital expenditures on universities, including student assistance and provincial administration, increased 6.6 times, from $273 million to $1.8 billion (an average annual increase of 22 per cent). Full-time enrolment, meanwhile, had increased at less than half that rate, from 113,864 to 315,722 or 2.8 times. The result was that expenditures per student had more than doubled, from $2,397 to $5,672.[98] Even discounting for inflation (measured by the consumer price index), total expenditures had increased almost five times in only 10 years, while expenditures per student had virtually doubled.

The proportion of total provincial government expenditures devoted to universities increased from 9 per cent to 13.6 per cent between 1960-61 and 1970-71. Expenditures on all levels of education were increasing, but the proportion devoted to universities was increasing fastest, rising from 16 per cent to 23.3 per cent of the total over the decade. In 1960-61, 0.7 per cent of Canada's gross national product was spent on university education; by 1970-71 this had increased to almost 2 per cent.[99] The concern was that there appeared to be no end to these increases. The pace of rising costs was displacing enrolment growth as the principal preoccupation of public policy.

Indeed, there was growing concern that university enrolment was increasing too fast, faster than the labour force could absorb the graduates. The prospect of unemployed graduates haunted universities and governments alike. According to Robert Stanfield, former premier of Nova Scotia and at the time leader of the opposition in the Commons: "Too many of the 1969 graduates of Canadian universities can't get work. Others are forced to take jobs for which their education is not relevant."[100]

This prospect was confirmed for science and engineering graduates in a study done for the Science Council and released in March

1971. It concluded that of the 14,000 students expected to graduate in these fields in 1971, only about 10,000 could expect to obtain immediate employment in jobs directly related to their education.[101]

The most ominous sign appeared in September 1971 when registration figures fell well below expectations, and actually declined in Saskatchewan, Alberta and British Columbia. A year later, the worst fears were confirmed when total university enrolment actually decreased. Seven of the 10 provinces enrolled fewer university students than in the previous year. The exceptions were Ontario (where the increase was an almost imperceptible 0.5 per cent), Quebec (where comparable statistics were almost impossible to obtain, given the structural adjustments taking place with the introduction of CEGEPs), and Newfoundland (where the participation rate was still far below the Canadian average). The perplexed reaction of university leaders was aptly summed up by Michael Oliver, president of Carleton:

> Whether the halt [in enrolment growth] is permanent or temporary, no one knows. Neither our demographers nor our back-of-the-envelope calculators have had time to put together new models. We know what has happened in more detail now. It is not just a matter of first-year enrolments falling off from projections, there have been upper-year drop-out increases, and reductions in graduate enrolments as well. But we still are far from a complete answer as to why all this has occurred.[102]

There had certainly been no warning in the latest enrolment projections. In a staff study prepared for the Economic Council of Canada and released in January 1970, university enrolment was projected to continue growing at about 10 per cent per year until 1972-73 when the rate of increase would gradually drop to below 5 per cent by 1980-81, by which point total enrolment would have reached 750,000, more than double the 1970-71 level.[103] The actual enrolment in 1972 was fully 25 per cent below the projected level. Enrolment levels quickly stabilized after 1972-73, but the damage to rising expectations had been done.

It was the growth in the number of students not returning to continue their studies that most shocked the university community, for it raised doubts about the value students placed upon a university education. Coupled with the prospects of unemployed graduates and the lingering public distaste for the radical behaviour of student activists in the latter 1960s, this was a very bitter blow. And to make matters worse, economists were beginning to express doubts about the current validity of earlier studies that had assigned such high social rates of return to expenditures on university education. Even the Economic Council, consistently a strong advocate of investment in higher education as contributing to economic growth, focused its 1971 report on ways of reducing university expenditures,[104] and in 1972 reported that the rates of return on investment in university education had declined between 1961 and 1967.[105]

The upshot was that the very conditions and expectations that had sparked the enormous growth in public spending on universities after 1955 seemed all to be turning sour. It was into this very different and uncertain environment that the Hurtubise-Rowat commission, launched in 1967, found itself reporting.

The Hurtubise-Rowat Report

The report of the Commission on the Relations Between Universities and Governments (CRUG), entitled *The University, Society and Government*, was finally published in 1970. It was premised on an odd view of the socio-political structure of Canada and the consequent relationship between universities and public policy. It argued, not unreasonably, that universities were products of the societies in which they existed and, more specifically, reflected the general stage of economic development reached in a particular society. It then asserted, without supporting evidence, that Canada consisted of four "societies": Quebec, the Acadians, Franco-Ontarians, and "the English-speaking society in the rest of Canada."[106] Apart from the obvious case of Quebec, the commission neither explored nor explained how these "societies" were related to the federal structure of government, and therefore public policy, in Canada.

The commission did, however, take a decidedly provincialist view of the appropriate division of power: "... the role of the federal government should be restricted so as to conform to the requirements of both the constitution and the facts of Canadian society."[107]

The commission proposed an expanded role for provincial governments in respect of "... science and research policy, the planning of research priorities, and the direct support of industrial and university research ...."[108] They also recommended that as an alternative to greater federal involvement, the interprovincial Council of Ministers of Education, whose effectiveness to date was described as minimal,

"... take a new lease on life and ... greatly strengthen its activities."[109]

In a subsequent article, Donald Rowat conceded that the commissioners had few illusions about reactions to the report outside Quebec:

> Because it challenges much conventional wisdom in university circles, such as the traditional view of many in English-speaking Canada in favour of direct federal financing of universities, the commissioners ... do not expect it to be hailed with enthusiasm on all sides.[110]

Commissioner Rowat was not to be disappointed. The board of directors of the AUCC issued a statement in September roundly condemning the report. They found its review of the relationship between universities and society "too thin and general," the "identification of four Canadian societies ... truncated to the point of caricature," and the discussion of the constitutional framework "inadequate."[111] Reviewing the report for the CAUT *Bulletin*, Professor C.B. Macpherson argued that: "... some of the crucial assumptions, far from being self-evident as the Commissioners thought them to be, are highly questionable, and have led them to deplorable and unnecessary conclusions."[112]

The Hurtubise-Rowat report had included neither the Atlantic nor the Maritime provinces as one of Canada's four regional societies, but that idea found a new popularity after the 1964 Charlottetown conference of first ministers during which Premier Robichaud of New Brunswick had made the surprise suggestion: "That Premiers Stanfield, Smallwood, Shaw and I may get together today and, on this centennial of that first meeting in Charlottetown, decide to reduce the number of Canadian provinces from ten to seven."[113]

Four years later, without Newfoundland and with Louis Robichaud the only Maritime premier at the 1964 conference still in office, the Maritime Union Study was launched under John Deutsch, with the federal government assuming half the cost.

The Maritime Union Study

Higher education had long been the subject of interprovincial consultation and cooperation in the Maritime and Atlantic provinces. Not surprisingly, therefore, Dr. Deutsch sought advice from both the Association of Atlantic Universities and the three provincial intermediary agencies. The AAU's study suggested that "if a political union of the three Maritime Provinces should come about, a single higher education committee would undoubtedly be set up . . . ." Much bolder, however, was its conclusion that: . . . even without union, the one committee would seem to provide the most satisfactory and efficient way of organizing post-secondary education in the Maritime region."[114]

The heads of the three existing intermediary agencies disagreed: "We ourselves have been unable to agree that the establishment of a single grants committee for the region would be feasible in the absence of political union or without devising some new techniques for cooperation between the region's governments . . . ."[115]

In the event, the Deutsch study did recommend full political union of the three provinces, to be achieved gradually but deliberately through three stages, beginning with the establishment of a Council of Maritime Premiers.[116] Meeting two months later, in January 1971, the three premiers (now Richard Hatfield of New Brunswick, Gerald Regan of Nova Scotia, and Alexander Campbell of Prince Edward Island) agreed in principle to the three institutional recommendations (the Council of Maritime Premiers, a Maritime provinces commission, and a joint legislative assembly).[117] They did not agree, however, on the principle of political union. Nor, as events unfolded, did the premiers proceed beyond step one.

The Council of Maritime Premiers did, however, serve as "the new technique for cooperation" discussed in the report of the heads of the three grants committees. And with that new technique, the premiers were able to agree in principle to the establishment of another novel institution, the Maritime Provinces Higher Education Commission. The MPHEC was a bold concept: one intermediary agency to coordinate postsecondary policy and the universities of three provinces. Establishing it was to prove to be no simple task, and it would be 1974 before it was actually operating. The announcement, however, "took the Maritime university presidents by surprise and created some consternation," primarily because there had been no prior consultation. According to Jeffrey Holmes:

> The premiers, perhaps, had not thought the move through, although it is interesting that they seized on postsecondary education as the obvious point to initiate interprovincial cooperation/coordination. Presumably, although it was never stated officially, this was considered to be one area in which important financial savings could be realized. The premiers were obviously reflecting the public's opinion that a great deal of unnecessary duplication existed in the postsecondary system.[118]

Science Policy and Research

The Science Council and the Senate of Canada had each launched inquiries into the related areas of scientific research and science policy in 1967. Of the two, the Macdonald report on the federal role in support of university research was the first to be published, in 1969.

The Macdonald Report. The Macdonald study group sought to bring the rapidly growing but largely uncoordinated federal support of research within a policy and administrative framework that would be at once more comprehensive and more focused. It made a host of wide-ranging recommendations, but the core proposals were designed to promote three basic principles.

The first of these was that all university disciplines should be covered by research granting councils whose sole responsibility was the support of university research. To achieve this, a major reorganization of the existing councils was proposed. The National Research Council, the original instrument of federal research policy, would be reconstituted so as to be responsible solely for the support of university research in science and engineering. The Medical Research Council, a largely autonomous outgrowth of the NRC, would be expanded to encompass research in all of the health sciences, a proposal that had been made earlier by the Hall royal commission. The Canada Council's role in supporting research in the humanities and social sciences would be terminated and a new council, the Humanities and Social Sciences Council, would be established to assume that role. To ensure coordination among the councils, as well as to deal with interdisciplinary research and projects not easily placed within the funding mandates of one or another of the three councils, an inter-council coordinating committee would be established comprising the presidents of the three granting councils.[119]

The second principle was that the institutional autonomy of universities should be respected and supported. A variety of financial and administrative recommendations were formulated to secure this principle, but the most important was that no part of the salaries of university faculty members should be included in the costs of research covered by federal grants. The argument on this point was uncompromising:

> Any effort by outside agencies to augment the universities' normal capacity for hiring faculty can jeopardize their independence as

> institutions. The acquisition and retention of its academic staff is the most important element in determining the nature of a university.[120]

With that critical caveat, the third principle was that federal grants should cover the full costs, direct and indirect, of university research. Inclusion of indirect costs had been on the lobbying agenda of university presidents since at least 1949,[121] but the rapid increase in federal research expenditures through the 1960s gave new urgency to the issue.

The significance of this issue is not always or easily appreciated, even within universities. Under the federal-provincial fiscal arrangements put in place in 1967, the federal transfers to the provinces covered 50 per cent of the aggregate expenditure of universities in each province, not including federal research grants. Since those grants covered direct costs only, it follows that federal transfers to the provinces covered 50 per cent of the indirect costs of research. But the federal transfers went to the provinces, not to individual universities. Provincial grants to universities, meanwhile, nowhere took account of the differential impact on universities of these indirect costs. The upshot, then, was the imposition of a financial penalty on research-intensive universities, a penalty that increased in direct proportion to the university's success in attracting federal research grants. A more counter-productive arrangement could hardly be envisaged.

The proposal advanced by the Macdonald study group was to incorporate payment for indirect costs (at 35 per cent of direct costs) within federal research grants to universities. Since the full value of these grants would be excluded from the calculation of university expenditures used in determining the federal transfer to the provinces, there would be no double counting of indirect costs.[122] The report also made proposals that would lead to federal grants for the cost of university research buildings, incorporating within them the funds currently allocated under the Health Resources Fund.[123]

The Macdonald report was of critical importance in setting forth a policy framework for the support of university research, a framework which incorporated a preeminent role for the federal government.[124] In due course, major elements of that framework, although not the proposed treatment of indirect costs, would actually be put in place. In the meantime, however, federal policy became caught up with another idea, a comprehensive national science policy. This was the preoccupation of the Senate special committee on science policy, chaired by Senator Lamontagne.

The Lamontagne Report. The first volume of the Senate committee report appeared in 1970. It was highly critical of the federal government's approach to the management of scientific research and development, and the consequent tendency to allow them to be managed by and in the interests of scientists. The challenge which underpinned the entire volume was how science could be harnessed to address the pressing problems facing public policy:

> The new wisdom prescribes that the additional R&D effort be devoted to the life sciences and social sciences rather than the physical sciences, to engineering and development activities rather than scientific disciplines and fundamental research, to economic and social objectives rather than curiosity and discovery.[125]

The committee argued that this shift in priorities would not occur if decisions on research expenditures and priorities were left either to scientists or to line departments of government. What was required was a comprehensive science policy, a "macro" policy or framework within which specific sectoral policies would be coordinated, managed and evaluated. It was one thing to extol the virtues and benefits of a comprehensive policy for science, it was quite another to specify just how and by whom it was to be accomplished. The report left a discussion of specific mechanisms to a future volume, but there could be little doubt that whatever was envisaged included the idea of a minister of science, an idea that had recently been recommended by the Organization for Economic Cooperation and Development.[126]

The idea of a comprehensive science policy fitted comfortably within the rationalist agenda of the first Trudeau government in Ottawa, while the idea of a minister of science coincided with the current thinking in the Privy Council Office about how the machinery of government might be reorganized to address a number of priority policy issues. The result of this conjunction was a provision in the omnibus Government Organization Act, introduced in December 1970, for the creation by order-in-council of a new kind of government portfolio, the ministry of state. The first of these policy ministries, the Ministry of State for Science and Technology (MOSST), was established in June 1971.[127]

The argument of the Lamontagne report, seemingly accepted in the establishment of MOSST, involved a greater concern for coordination and control than was inherent in the traditional approach to the support of research. Concern over coordination, and especially for effective mechanisms of coordination, was certainly not new to Canadian policy affecting universities. Provincial governments had for some time been attempting to coordinate universities within the framework of postsecondary education policies. The provincial experiences had been mostly of frustration and this, together with rapidly changing economic circumstances, was destined to place the delicate balance of government-university relations under increasing stress.

Notes

1. Cited in Donald C. Rowat, "The Commission on the Relations between Universities and Governments: summary report," *Canadian Public Administration*, vol. xiv, no 4 (Winter 1971), p. 609.
2. See, for example, Michael Hayden, *Seeking a Balance: The University of Saskatchewan, 1907-1982*. Vancouver: University of British Columbia Press, 1983, p. 251.
3. Dr. W. Swift of Alberta stated in 1966 that "it is my information that to date this body had been largely concerned with the advising of school boards relative to regional colleges." AUCC, *Proceedings*, 1966, p. 132. [check citation]
4. Manitoba Educational Research Council, *Report on Post-Secondary Education Needs and Training in Manitoba*. Winnipeg, 1967.
5. Gordon Campbell, *Community Colleges in Canada*. Toronto: Ryerson Press, 1971, p. 58.
6. Newfoundland and Labrador, Royal Commission on Education and Youth, *Report*, vol. 2, 1968, pp. 97-9.
7. Hayden, *Seeking a Balance*, p. 9.
8. J.W.T. Spinks, *Decade of Change: The University of Saskatchewan, 1959-70*. Saskatoon: University of Saskatchewan, 1972, p. 34.
9. See David M. Cameron, *The Northern Dilemma: Public Policy and Post-Secondary Education in Northern Ontario*. Toronto: Ontario Economic Council, 1978, pp. 81-110.
10. Ontario Department of Education, *Colleges of Applied Arts and Technology: Basic Documents*. Toronto, June, 1965, p. 8.
11. Quebec, *Report of the Department of Education, 1967/68*, pp. 47-48.

12. *Quebec, Report of the Minister of Education, 1968/69*, p. 52.

13. See Serge Lamarche, *L'Université du Québec*. Montréal: Lidec (Collection du CEP), 1969.

14. Ibid., p. 19.

15. Subsequent additions to L'Université du Québec include campuses at Hull and l'Abitibi-Témiscamingue, l'École de Technologie Supérieure, la Télé-Université, l'Institut National de Recherche Scientifique, and l'Institut Armand Frappier.

16. The preamble stated that one of the reasons for the new charter was that "... the university recognizes that its members are entitled to the freedom of conscience, instruction and research *which are inherent in a public institution* of higher education ...." (15 & 16 Eliz. II, Chap. 129, S.Q., emphasis added).

17. Statutes of Quebec, 1970, Chapter 78. See also Paul-André Laberge, *L'Université Laval, 1952-1977: Vers L'Autonomie*. Québec: Les Presses de l'Université Laval, 1978, pp. 57-67.

18. Statutes of Quebec, 1978, Chapter 78. See also Andrée Désilets et al, *Les 25 Ans de l'Université de Sherbrooke, 1954-79*. Sherbrooke: Les éditions de l'Université de Sherbrooke, 1982, p. 103.

19. New Brunswick, Committee on the Financing of Higher Education in New Brunswick, *Report*. Fredericton, 1967, p. 45. Emphasis added.

20. Nova Scotia University Grants Committee, *Annual Report for the Calendar Year 1968*, p. 9.

21. Ibid., p. 8.

22. Nova Scotia University Grants Committee, *Annual Report for the Calendar Year 1969*, p. 8.

23. Nova Scotia, Tribunal on Bilingual Higher Education, *All Eyes Toward the Future*. Halifax, 1969. The tribunal was chaired by David Munroe, and included Msgr. Alphonse Parent and Mgr. Roger Guindon.

24. Nova Scotia University Grants Committee, *Annual Report*, 1973, p. 8.

25. Hon. Alex B. Campbell, *Policy Statement on Post-Secondary Education*. Charlottetown: mimeographed, April 2, 1968, p. 5.

26. Cited in Lorne R. Moase, *The Development of the University of Prince Edward Island (1964-1972)*. Unpublished M. Ed. thesis, University of New Brunswick, 1972, p. 24.

27. Ibid., p. 23.

28. Campbell, *Policy Statement*, p. 33.

29. Cited in Owen G. Holmes, *Come Hell or High Water*. Lethbridge, 1965, p. 23.

30. Ibid., p. 37.

31. Peter M. West, *The Formation of the Department of Advanced Education: A Case Study in Postsecondary Education, 1966-1973*. Unpublished Ph.D. thesis, University of Alberta, 1982, p. 75.

32. Michael W. Small, *A Case Study in Educational Policy Making: The Establishment of Athabaska University*. Unpublished Ph.D. thesis, University of Alberta, 1980, pp. 122-23.

33. L.J. Hughes, *The First Athabaska University*. St. Albert, Alberta: Athabaska University, 1980, p. 22.

34. Hon. Robert Clark, *Post Secondary Education Until 1972: An Alberta Policy Statement.* Edmonton: mimeographed, 1970, p. 9.

35. Andrew Stewart, *Special Study on Junior Colleges*. Alberta, 1965, p. 9.

36. Margaret Nussbaumer, *The Worth Report and Developments in Alberta's Post-Secondary Policies and Structures, 1968 to 1976*. Unpublished Ph.D. thesis, University of Alberta, 1977, pp. 45-46.

37. Gordon Campbell, *Community Colleges in Canada*, p. 34.

38. Desmond E. Berghofer and Alan S. Vladicka, *Access to Opportunity, 1905-80: The Development of Post-Secondary Education in Alberta*. Edmonton: Department of Advanced Education and Manpower, 1980, p. 36.

39. For a very useful account of the British University Grants Committee within the context of postsecondary education policy, see John Carswell, *Government and the Universities in Britain: Programme and Performance, 1960-1980*. Cambridge: Cambridge University Press, 1985.

40. Nova Scotia University Grants Committee, *Annual Report for 1972*, p. 5. Emphasis added.

41. Nova Scotia University Grants Committee, *Annual Report for 1973*, p. 8.

42. Bernard Trotter, *Planning for Planning*. Ottawa: AUCC, 1974, p. 40.

43. Ontario, Order-in-Council 4157/64, December 17, 1964.

44. Ontario, Committee on University Affairs, *Annual Report, 1968-69*, p. 8.

45. Alberta, Universities Commission, *Annual Report, Fiscal Year 1966-67*.

46. Peter West, *The Formation of the Department of Advanced Education*, p. 55.

47. Peter M. West, *The Formation of the Department of Advanced Education*, p. 82.

48. Ibid., p. 185.

49. Ibid., p. 83.

50. Manitoba, *The Universities Grants Commission Act*, 15 & 16 Elizabeth II, chapter 67, section 3.

51. Ibid., section 16.

52. Hugh H. Saunderson, *The Saunderson Years*. Winnipeg: The University of Manitoba, 1981. Dr. Saunderson retired as president at the end of June 1970.

53. New Brunswick, Royal Commission on Higher Education, *Report*, Fredericton, 1962, p. 114.

54. New Brunswick, Committee on the Financing of Higher Education in New Brunswick, *Report*, p. 61.

55. Ibid., p. 55.

56. Trotter, *Planning for Planning*, p. 26.

57. Ibid., p. 26.

58. New Brunswick Higher Education Commission, *Flexibility for the 70's: A Report to Government on the Resources Required for the Development of Higher Education in New Brunswick*, February 1972, p. 49.

59. Prince Edward Island, *An Act to Establish a Commission on Post-Secondary Education*, Section 2. Emphasis added.
60. Prince Edward Island Commission on Post-Secondary Education, *First Annual Report*, p. 12.

61. James H. Whitelaw, "Postsecondary Education Systems in Quebec," in Edward Sheffield, ed., *Systems of Higher Education: Canada*. New York: International Council for Educational Development, 1978, p. 84.

62. See Jean-Pierre Fortin, *Incidences de la Democratisation de l'Enseignement Supérieur sur l'Autonomie des Etablissements Universitaires Québécois*. Unpublished M.A. thesis, Université Laval, 1986, pp. 84-85.

63. Québec, Conseil des universités, *Premier rapport annuel, 1969/70*, p. 13.

64. The Commission de l'enseignement supérieur continued to function as an advisory body, but the Conseil des universités quickly became the senior body in terms of university planning and finance.

65. Matters on which the minister must seek the council's advice include plans for the development of higher education, operating and capital budgets, and the proposed distribution of grants among institutions.

66. New Brunswick, Royal Commission on Higher Education, *Report*, pp. 102-14.

67. J.A. Corry, *Farewell the Ivory Tower: Universities in Transition*. Montreal: McGill-Queen's University Press, 1970, p. 23.

68. Ibid., p. 24.

69. Ibid., p. 25.

70. Vincent W. Bladen et al, *Financing Higher Education in Canada: Report of a Commission to the Association of Universities and Colleges of Canada*. Toronto: University of Toronto Press, 1965, p. 70.

71. Nova Scotia, University Grants Committee, *Higher Education in Nova Scotia: Survey Report with Recommendations*. Halifax: mimeographed, 1964, p. 35.

72. Ontario, *Annual Report of the Minister of University Affairs*, 1967, p. 105.

73. Ibid., p. 104.

74. Alberta Universities Commission, *Annual Report—Fiscal Year 1966-67*.

75. Ontario, Committee on University Affairs, *Annual Report for 1968-69*, p. 19.

76. In Ontario, for example, extra-formula grants were extended to new or "emergent" universities, initially to new programs, and to bilingual and northern universities.

77. D.F. Forster, "Capital Funding in Post-Secondary Education in Ontario: Problems and Prospects," in Ontario Economic Council, *Emerging Problems in Post-Secondary Education*. Toronto, 1977, pp. 72-3.

78. See David M. Cameron, *Schools for Ontario: Policy-making, Administration, and Finance in the 1960s*. Toronto: University of Toronto Press, 1972, pp. 179-80.

79. For a particularly forceful presentation of the historical dimension of this issue, see Michel Brunet, "Les Subventions de Rattrapage," in Université de Montréal, Association général des diplômes, *Les Investissements Universitaires*. Montréal: Editions du Jour, 1968, pp. 83-100. As an objective of provincial policy, rattrapage extended to comparisons between the Quebec system as a whole and other jurisdictions, especially Ontario.

80. See Quebec, Study Committee on the Organization of the University System, *Report, Book One: The University Network*, May 1979, pp. 11-12.

81. The eight categories were: instruction, research, libraries, information systems, student services, administration, buildings and grounds, and collegiate instruction (pending the full development of the CEGEP system). See Quebec, Conseil des Universités, *Premier Rapport Annuel, 1969-70*, p. 16.

82. Initially, the government proposed to deduct revenue from gifts and endowments as well. Michael Oliver, then vice-principal of McGill, argued openly that this constituted a direct attack on his institution in the misguided pursuit of equalization. That issue was resolved with Quebec following the Canadian pattern and leaving to individual universities the fruits of their financial benefactions. See Michael Oliver, "Financing Higher Education in Quebec: Some Questions" in

Sylvia Ostry, ed., *Canadian Higher Education in the Seventies.* Ottawa: Information Canada, 1972, p. 297.

83. Jean-Pierre Fortin, *Incidences de la Democratisation de l'Enseignement Supérieur sur l'Autonomie des Etablissements Universitaires Québécois.* Unpublished M.A. thesis, Université Laval, 1986, pp. 96-7.

84. Quebec, *Report, Book One*, p. 21. Universities could transfer funds between accounts, but such adjustments were not included in the base of approved expenditures for subsequent years.

85. Frederick W. Rowe, *Education and Culture in Newfoundland.* Toronto: McGraw-Hill Ryerson, 1976, p. 68.

86. Royal Commission on Education and Youth, *Report*, vol. 2, p. 165.

87. Cited in John C. Courtney, "The Government-University Controversy in Saskatchewan, 1967-1968." CAUT *Bulletin*, vol. xvii, no. 2 (December 1968), p. 19.

88. J.W.T. Spinks, *Decade of Change*, pp. 44-45.

89. Courtney,*The Gov't-Univ. Controversy*, p. 31.

90. Spinks, *Decade of Change*, p. 45.

91. Ontario, *Annual Report of the Minister of University Affairs*, 1967, pp. 9-10.

92. Committee of Presidents of Universities of Ontario, *From the Sixties to the Seventies.* Toronto, 1966, p. 44.

93. See, for example, Paul Gallagher, "Power and Participation in Educational Reform," *McGill Journal of Education*, vol. vii, no. 2 (Fall 1972), pp. 149-65.

94. British Columbia, *Annual Report of the Department of Education*, 1966-67, pp. 54-56.

95. Berghofer and Vladicka, *Access to Opportunity*, p. 43.

96. Ibid., p. 44.

97. Hayden, *Seeking a Balance*, p. 276.

98. Statistics Canada, *Financial Statistics of Education, 1971-72* (Catalogue 81-208), pp. 53-57.

99. Ibid., pp. 53-57.

100. Cited in AUCC, *University Affairs*, vol x, no. 6, July 1969, p. 7.

101. Frank Kelly, *Prospects for Scientists and Engineers in Canada.* Ottawa: Information Canada, 1971 (Background Study for the Science Council of Canada), p. 29.

102. Michael Oliver, "Factors Reshaping the Financing of Higher Education in the 1970's," *Stoa*, vol. iii, no. 2, 1973, p. 105.

103. Z.E. Zsigmond and C.J. Wenaas, *Enrolment in Educational Institutions by Province, 1951-52 to 1980-81*. Staff Study No. 25, Economic Council of Canada. Ottawa: Queen's Printer, 1970, p. 89.

104. Economic Council of Canada, *Seventh Annual Review: Patterns of Growth*. Ottawa: Queen's Printer, 1970, pp. 55-73.

105. Economic Council of Canada, *Eighth Annual Review: Design for Decision-Making*. Ottawa: Information Canada, 1971, p. 210.

106. René Hurtubise and Donald C. Rowat, *The University, Society and Government: The Report of the Commission on the Relations Between Universities and Governments*. Ottawa: The University of Ottawa Press, 1970, p. 29.

107. Ibid., p. 132.

108. Ibid., p. 165.

109. Ibid., p. 195.

110. Donald C. Rowat, "The Commission on the Relations between Universities and Governments: summary report," p. 617.

111. Cited in AUCC, *University Affairs*, vol. xi, no. 9 (November 1970) p. 15.

112. C.B. Macpherson, "Book Review: The University, Society and Government," CAUT *Bulletin*, Vol xix, no. 2 (Winter 1971), p. 99.

113. Cited in Paul H. Evans, *Report on Atlantic/Maritime Interprovincial Cooperation Between 1950 and 1971*. MPA Internship Report, Dalhousie University, 1985, p. 94.

114. John F. Crean, Michael M. Ferguson, and Hugh J. Somers, *Higher Education in the Atlantic Provinces for the 1970's*. A Study prepared under the auspices of the Association of Atlantic Universities for the Maritime Union Study. Halifax, 1969, p. 83.

115. A. Murphy, J.F. O'Sullivan, and E.F. Sheffield, *Region-Wide Policies for Higher Education*. Fredericton: Maritime Union Study, 1970, p. 4.

116. Maritime Union Study, *The Report on Maritime Union Commissioned by the Governments of Nova Scotia, New Brunswick and Prince Edward Island*. October, 1970.

117. Paul Evans, *Report on Atlantic/Maritime Cooperation*, p. 159.

118. Jeffrey Holmes, "The Atlantic Provinces" in E.F. Sheffield, ed., *Systems of Higher Education: Canada*. New York: International Council for Educational Development, 1978, pp. 43-4.

119. Macdonald, et al, *The Role of the Federal Government*, pp. 97-107.

120. Ibid., p. 138.

121. According to Gwendoline Pilkington, the Finance Committee of the NCCU raised this issue with Prime Minister St. Laurent during a meeting in 1949 and received a sympathetic response. See Gwendoline

Pilkington, *A History of the National Conference of Canadian Universities, 1911-61.* Unpublished Ph.D. thesis, University of Toronto, 1974, pp. 509-17.

122. Macdonald, et al, *The Role of the Federal Gov't.*, pp. 136-7.

123. Ibid., pp. 190-93.

124. In a minority report, one member of the study group, Dr. L.P. Dugal of the University of Sherbrooke, did take exception to some aspects of the proposed federal role.

126. Canada, Senate, Special Committee on Science Policy, *A Science Policy for Canada*. Ottawa: Queen's Printer, vol. 1, 1970, p. 189.

126. Organization for Economic Cooperation and Development, *Reviews of National Science Policy: Canada.* Paris: OECD, 1969, p. 410.

127. For a thorough analysis of the establishment and early difficulties of MOSST, see Peter Aucoin and Richard French, *Knowledge, Power and Public Policy.* Science Council of Canada Background Study No. 31. Ottawa: Information Canada, 1974.

5

The Delicate Balance Under Stress

By 1973 the world oil crisis, coupled simultaneously with high rates of inflation and unemployment, had added new uncertainty to economic policy and government expenditures. Something more profound was also at work in relations between universities and government, yielding a pervasive sense of frustration on both sides of the delicate balance. Universities, holding to hallowed notions of institutional autonomy and academic freedom, had not really accepted the legitimacy of provincial coordination except as superficial rhetoric. For their part, the English-speaking universities retained a nostalgic attachment to the idea of a more active role for the federal government and, perhaps more important, for the freedom perceived to derive from the benefactions of two paymasters rather than one. Yet their own efforts at voluntary coordination, under the banner of "collective autonomy" had, with a few notable exceptions, simply not been up to the task.

For provincial governments, despite the support and advice of public service departments and intermediary agencies, the fact was that coordination remained an illusive goal. Provincial universities could not be said to constitute integrated "systems," while their integration with other postsecondary institutions was even less developed. Ever-increasing public expenditures were being devoted to purposes seemingly beyond the control of public policy. And as economic conditions bequeathed increasing budgetary pressures, it is hardly surprising that provincial governments took a number of steps designed to constrain university expansion either directly or indirectly. That some of these steps involved rather blunt policy instruments is itself a measure of the stress that attended relations between government and university. Seen from this perspective, the position advanced by Saskatchewan's Premier Ross Thatcher in 1967 was anything but an isolated incident. Quite the contrary, it was an eloquent, if unsuccessful, prophecy of emerging provincial concerns. Edward Harvey makes a similar point in his 1974 book on education and the labour market when he notes: "... although it is well known that the brakes are now being applied to further educational expansion, it may well be argued that they were not applied soon enough."[1]

Halting Expansion

Nova Scotia was the first province to declare a halt to further capital expansion. In 1970 the University Grants Committee proposed a one-year "holiday" in capital construction, with no new projects approved for 1971-72. This proposal was motivated in part by the UGC's judgment that the most pressing building requirements had been satisfied, but more so because the cost of servicing the resultant debt was beginning to impinge on the resources available for current operations.[2] The government accepted the proposed moratorium, but in the event extended it for three years.

At the same time, the recently elected government of Premier Gerald Regan attempted to establish greater control over expenditures on universities by limiting provincial grants to an increase of 6 per cent over 1970-71, and effectively suspending the enrolment-driven formula. Pressure from the universities forced the government's hand, however, and a supplementary grant of $1.5 million was provided, ostensibly for renovations and alterations. The formula was re-established for 1972-73, but the funding provided was well below the level recommended by the UGC. The final report of that body tells the resultant story:

> Greatest of the problems faced by the committee in 1973 was a substantial cut in the grants it recommended to government on behalf of the universities and colleges. As in previous years their financial commitments were already firm when the government grants were announced, and all were faced with substantial operating deficits for the year. However, in December 1973, govern-

> ment approved of an extra appropriation to them of approximately the amount cut from the grants as first recommended, and all ended the year in the black, or nearly so, and happy.[3]

In the fall of 1971 Athabaska University, formally launched less than a year and a half previously, albeit by a different government, was unceremoniously stopped in its tracks. All physical planning was suspended, a move many interpreted to herald the demise of the entire project.[4] In fact, academic planning was authorized to continue, via a limited pilot project. In the same year, Newfoundland abandoned its enrolment formula, reverting to direct negotiations.

Quebec adopted an entirely new method of funding universities in 1971-72. The new approach, known as the "historical method," involved annual increments to each university's actual expenditures in the base year of 1969-70. In this, it anticipated by more than a decade the trend toward earmarked or targeted funding that would subsequently emerge in other provinces.

The new scheme continued to treat expenditures in separate categories, but reduced their number to five.[5] In effect, however, only two categories really mattered: salaries and "other" expenditures (energy was subsequently added as a separate category of some importance). Within each category, an "allowable expenditure" was determined, not from per student values, but by taking the actual expenditure for 1969-70 for each institution and adjusting it for inflation and salary progression (at rates specified by the government), and for allowable increases in enrolment.[6] From the sum of these "allowable expenditures" in all categories, each university's estimated non-governmental revenue (essentially student fees) was subtracted, and funding for certain designated purposes added. The net result constituted the provincial operating grant.[7]

The salary category continued to serve as a device to keep universities within the government's public sector salary policy. In return for following the government's lead in salary settlements, the universities were compensated through the operating grant. There were some very substantial increases in salary levels, sometimes requiring special, supplementary grants.[8] "The most spectacular yearly increase of the 1970s was registered in 1975 when the Quebec government indexed the total salaries of the Quebec civil service by 28%, and the subsidies to the universities increased accordingly."[9] By this point, Quebec appeared to have passed Ontario in the per student value of its grants to universities.[10]

Ontario did not abandon its enrolment formula, but it did limit its application to graduate students, imposing in 1971 an embargo on the funding of new programs. The embargo was subsequently softened to apply only to some 20 disciplines where previous over-expansion was perceived to be most serious.

If the Ontario embargo on new graduate programs was itself a rather crude government imposition, it secured one of the more impressive examples of university coordination. The origins of the province-wide process of graduate program review and planning actually went back to the Spinks report of 1966, and the subsequent formation of the Ontario Council on Graduate Studies (OCGS), under the aegis of the Committee of Presidents (which became, in 1971, the Council of Ontario Universities, or COU). By 1968 the OCGS had spawned the advisory committee on academic planning (ACAP) to oversee system-wide appraisals of graduate education in Ontario, discipline by discipline. When the government's embargo was announced, ACAP assumed the responsibility of assessing plans for graduate development, providing a comprehensive structure for the orderly development of graduate education in the province. The ACAP process thus provided an analytical basis not only for lifting the embargo on individual disciplines but for the subsequent evaluation of individual program proposals.[11] It was a uniquely cooperative arrangement involving the provincial department, the intermediary agency, and a collective offshoot of the universities themselves.

In November 1972 Ontario's minister of colleges and universities imposed a moratorium on all university capital construction not already under way. Interestingly, this action was consistent with the results of the capital grants formula which, with the drop-off in enrolment growth after 1971, yielded a situation in which "every Ontario university, with the exception of one, has a negative capital entitlement."[12]

With the possible exception of Quebec's new funding arrangements, which turned out to have a very long life indeed, all of these provincial actions were initiated as short-term responses to a situation where government and institutional policies and priorities appeared to be moving apart. Not surprising in such a situation, governments also moved to generate advice for the longer term. The result was an impressive array of reports on the future of postsecondary education.

Provincial Policy Proposals

The first of the comprehensive studies of postsecondary education was launched by Ontario in April 1969. Styled the Commission on Post-Secondary Education in Ontario (COPSE), it was given broad terms of reference: "To consider . . . the pattern necessary to ensure the further effective development of post-secondary education in the Province during the period to 1980, and in general terms to 1990, and make recommendations thereon."[13]

Ontario: The Learning Society. The 13-member commission was chaired by Dr. Douglas T. Wright, former dean of engineering at Waterloo University and, since 1967, chairperson of the Committee on University Affairs. It produced two interim reports, *A Statement of Issues* in November 1970, and a *Draft Report* in January 1972. Its final report, entitled *The Learning Society*, was released in December 1972.

The statement of issues provided a general background to postsecondary education in Ontario and raised several pointed questions, particularly about the institutional inflexibility of universities and the appropriate organization of government-university relations. It elicited a considerable number of responses, some of them quite spirited.

It was the 1972 draft report, however, that landed like a bombshell on the university community. And it was the draft recommendations on structure and finance that caused the greatest consternation. According to the commission: "The time has come for clear definition of the jurisdiction and responsibilities of the various component elements of post-secondary education and their incorporation in appropriate legislation."[14]

And with that, the commission proposed that all provincial responsibilities for postsecondary education, including funding, be consolidated in a single department. The minister of this department would be assisted by a "Senior Advisory Committee," somewhat analogous to Quebec's superior council. Postsecondary institutions would then be grouped into three categories—universities, colleges, and an "open" sector (comprising museums, art galleries, etc.)—each with a government-appointed coordinating board. The proposed coordinating board for universities was to be much more than an intermediary or buffer agency. Its powers would include authority:

a. To establish new faculties and programs and discontinue unnecessary faculties and programs, at both the graduate and undergraduate level.

b. To establish a general admissions policy for the institutions under its jurisdiction.

c. To distribute operating and capital funds among the institutions.[15]

The draft report also proposed establishing a new institution, the Open University of Ontario to provide "via television, radio, and correspondence, educational services at the post-secondary level to the people of Ontario."[16]

On finance, the commission made three major proposals. First, government funding of universities should be separated into two categories, one covering instruction and the other research. Second, in relation to instruction, government grants should cover approximately half the cost, with student fees covering the other half. Third, existing student assistance programs should be reorganized and expanded, including both grants and loans and with the latter incorporating a repayment scheme that would depend upon the student's future income and would be administered through the personal income tax.[17]

The universities were aghast. The COU said the recommendations concerning structure could fairly be described as radical and revolutionary:[18] "What the *Draft Report* proposed to do, in brief, was to remove from the universities all the freedoms essential to the very ideas of a university."[19]

When the final report appeared early in 1973, the framework remained intact, but the arguments and the recommendations had been toned down considerably. It was an interesting metamorphosis, no less far-reaching for the subtlety of its expression. For example, in place of the boldly assertive statement that the time had come for a clear definition of roles and responsibilities, the final report offered a more cautious analysis:

> . . . Ontario's present system for the administration of universities has two major flaws. First, its delineation of the appropriate responsibilities and jurisdictions of government and institutions is so vague as to inhibit seriously the efficient functioning of the system. Second, despite explicit reassurances by government that it does not condone, in principle, direct government control of post-secondary institutions, the fact remains that the machinery does exist that has enabled it to assume wide powers of direction and

> control that properly belong with the institutions. It is clearly not in the public interest to perpetuate a system that embodies such fundamental defects.[20]

The proposal for a single provincial department for postsecondary education remained, as did that for a ministerial advisory body, although the suggested name for the latter was changed and its role reduced. The three categories of institutions proposed in the draft report became four in the final report, with the addition of a category and coordinating body for the creative and performing arts.

One of the most significant changes can be seen in the proposed powers and responsibilities of the coordinating agency for the university sector, now to be called the Ontario Council for University Affairs (OCUA). Gone was any reference to controlling programs and admissions policies. Instead, the council would "plan and coordinate" the university sector, but in consultation with the universities and related associations. It would advise the minister of global funding requirements, and its one remaining executive function would be to distribute operating and capital funds among the institutions.[21] The proposal for a new distance education agency remained, its suggested name changed to the Open Academy of Ontario.

Most of the proposals on financing universities remained intact, including the separate funding of instruction and research and the institution of a contingent repayment student loan plan. On the question of fees, the proposals were softened only a little. Instead of half the cost of instruction being covered by fees, the final report suggested that fees make up from one third to one half the total.

Of the proposed changes that survived the transition from draft to final report, few found their way into public policy. One that did was the change in name and clarification in function of the intermediary agency. But even this was attended by compromise. In May 1974 the government introduced Bill 68 providing for the establishment of the 12-member OCUA. However, one provision in the legislation authorizing the new agency to collect and publish information and statistics about universities "... caused considerable concern in some quarters of the university world."

> In the face of this criticism the Government simply went ahead and created OCUA by Order-in-Council in September. Two months later Bill 68 was quietly abandoned during second reading following opposition attacks on the Government's decision to drop the clause providing for information and publication.[22]

The new chairperson of the new council was Dr. J. Stefan Dupré, a respected teacher and scholar, professor of political economy at the University of Toronto, and associated with several important advisory commissions including the Ontario Committee on Taxation (the Smith committee) and the Macdonald study of the role of the federal government in support of university research. It was an appointment which, according to the COU, "gave cause for encouragement."[23]

Perhaps even more encouraging for the university community was the OCUA's policy of publishing not only its advice to government, a practice begun a year earlier by the predecessor Committee on University Affairs, but also a narrative account of the reasoning behind that advice. And nowhere was this more cleverly apparent than in the treatment of the government's own statement of the objectives intended to be secured by its level of funding for 1975-76. The government's grants, within the context of an explicit assumption that there would be no increase in tuition fees, were intended to secure three objectives: to offset inflationary trends, to maintain or improve existing levels of service, and to accommodate predicted enrolment increases.[24]

The OCUA then proceeded to assign precise costs to each of these objectives, conservatively interpreted, and to compare those costs with the revenue provided. The result was a shortfall of some $16.2 million, compared with total operating grants of $716.9 million.[25] And with that, the OCUA proposed a dollar value for the Basic Income Unit (BIU) sufficient to make up the shortfall. The government, in turn, declined to accept the proposed increase in funding.[26] The entire exercise, which Paul Axelrod described as "an exquisitely clever technocratic tactic"[27] gave a newly quantitative meaning to the concept of underfunding.

A year later, the OCUA gave forceful warning of what was to become a major policy issue in every province, the anticipated decline in the number of Canadians within the 18 to 24 age group from which universities drew the vast majority of their students. Couched in colourful language typical of the council's chairperson, the warning was clear and emphatic:

> Simply put, the future of the Ontario university system is not what it used to be. It is not the future that prevailed when the university system was poised on the threshold of major expansion in the late nineteen fifties. The university system at that time faced a coming population bulge of major proportion . . . . Today the

> university system faces an immediate future comprised of the tail-end of this bulge, to be followed by a substantial decline in the number of 18 to 24-year-olds that will almost inevitably be sustained until the closing years of this century.[28]

As the OCUA went on to note, this demographic pattern posed some very difficult problems for public policy. The prospect of a sustained period of declining enrolment, beginning within the decade, hardly suggested a policy of increasing institutional capacity. But existing policy, not to mention equity, assumed places would be found for the additional students expected to enrol in the intervening years.

The immediate response of the OCUA was to advise that it was actively considering: "... options whereby the formula that will determine operating grants for 1976-77 might be made less sensitive than the present formula to enrolment changes."[29]

In the event, the formula was suspended completely for graduate students. In the case of undergraduate students, enrolment sensitivity was retained but significantly muted by the introduction of a three-year moving average, rather than an annual, count of weighted enrolment.[30]

In 1976 the OCUA proposed a new method for counting undergraduate enrolment for grant purposes which, while complex, simultaneously pursued two goals: fiscal stability and recognition of changing enrolment patterns. The first goal would be secured through an historical enrolment base, set at the actual average weighted enrolment of each university in the three-year period 1974-77. This base would then be adjusted, up or down, by one half of the difference between the base and the current three-year moving average.[31] The new scheme was implemented for 1978-79. A year later, the same formula was extended to master's students, while for doctoral students enrolment changes subsequent to the base period were discounted by two thirds rather than one half.[32]

Quebec's response to the same issue was both interesting and different, although its objectives were similar. From 1971-72, enrolment growth had been partially discounted by a formula which took into account both the total enrolment and the enrolment growth for specific institutions. This was changed in 1976 when consideration of total institutional enrolment was dropped and, instead, actual growth was discounted, by 50 per cent for 1977-78 and by 75 per cent for 1978-79. Quebec also continued its practice of using actual enrolment, unweighted by program. For 1979-80 a further refinement was introduced whereby enrolment growth would be discounted at 25 per cent, 50 per cent or 75 per cent, depending on the rate of growth (25 per cent for growth of less than 4 per cent, 50 per cent for growth between 4 per cent and 8 per cent, and 75 per cent for growth over 8 per cent).[33] Meanwhile, some relief had been granted to universities with private incomes, primarily McGill. Beginning in 1974-75, universities were permitted to retain all such income that was earmarked for a specific purpose, as well as half of their undesignated unrestricted income.[34]

The issue of enrolment fluctuations begged, in turn, a series of questions about the flexibility of the postsecondary system as a whole, and its responsiveness to the changing exigencies of social demand and government policy. Those questions were to be very much at the centre of concern for Alberta's comprehensive Commission on Educational Planning, launched three months after Ontario's COPSE, in June 1969. The commissioner was Dr. Walter H. Worth, then vice-president of academic planning at the University of Alberta.

Alberta: A Choice of Futures. Shortly after launching the Worth commission, the minister of education, Hon. Robert Clark, issued a policy statement to guide university and college development through the period of the commission's deliberations. The statement is of some interest in its confirmation of existing provincial policy. It reaffirmed Alberta's commitment to universal access to university for all those capable of benefitting from it, indicated that tuition fees should remain at their present level, specified that graduate study and research should have a lower priority than undergraduate and professional education, and then issued a clear signal to the universities: "... universities must accept increasing responsibility for accountability in costs and for the establishment of priorities in expenditures consistent with the social and economic needs of the province."[35]

The minister's signal would become the virtual theme of the Worth commission report. In the meantime, however, a provincial election at the end of August 1971 resulted in a change of government, the demise of the Social Credit Party and the emergence of Peter Lougheed and the Progressive Conservatives. While short on specifics, the Lougheed Conservatives had made quite clear during the election their distaste for the complex structure of commissions and advisory bodies established under Social Credit, and their preference for longer term planning and tighter accountability through responsible ministers.[36] The appointment of a minister of advanced education almost immediately after the election gave a clear indication that the new government intended to pursue that preferred approach. As a consequence, Dr. Worth found his commission reporting not only to a different government than the one which had appointed him, but also to a government with a very different approach to postsecondary education and the formulation of government policy. As it turned out, Dr. Worth's analysis and recommendations fitted the changed environment very nicely.

The major background work for the Worth commission was done through three task forces, dealing respectively with the elementary and secondary sector, the postsecondary sector, and continuing education. The postsecondary task force reported to the commission in 1971. Its report put considerable emphasis on the need for improved planning and coordination of the university and college systems. The question, argued the report, "... is not one of whether planning is necessary, but rather one of who should do the planning."[37] And with that, the task force proposed that responsibility for planning rest with the universities and colleges commissions, but coordinated through a new administrative council, comprising the chairpersons of the two commissions and the deputy minister.[38]

The Worth commission report itself, entitled *A Choice of Futures*, was much more radical in its approach. In place of the existing hierarchy of institutions, which the commission described as "a non-functional hierarchy of prestige" with the universities on top, "higher education must be rebuilt as a fully federated system." It was interesting, and perhaps slightly ironic, that the federal principle did not imply an equality of universities. Indeed, Worth had in mind a hierarchy of functions in which the University of Alberta would stand at the top (with the greatest proportionate commitment to graduate studies, professional education, and research) followed in descending order by Calgary, Lethbridge, and Athabaska.[39]

Worth's idea of a federated system centred on the destruction of artificial barriers between institutional sectors, and particularly between the colleges and the universities. And here he laid the blame for perpetuating a cleavage between the two on the establishment of separate coordinating commissions. Thus, in pursuit of system-wide coordination, or "federation," Worth proposed that the Universities Commission and the Colleges Commission be abolished and their functions and staffs transferred to the provincial Department of Advanced Education.[40] The key to coordination was to be a strong central department: "The department's role is one of ensuring federation through coordination. It can do this by providing broad guidelines within which individual institutional planning can proceed."[41]

The Worth commission report had some gratuitous advice for the universities themselves, arguing for strengthened boards of governors to ensure effective institutional planning and priority setting, and proposing that tenure be abolished and replaced by a system of renewable contracts.[42]

The commission also proposed adding a non-institutional alternative to existing postsecondary programs, recommending the establishment of an "Alberta Academy" to provide distance education. Significantly, it was proposed that the academy be operated directly by the Department of Advanced Education.

The Worth report was released on June 16, 1972, two weeks to the day after legislation was passed formally establishing the Department of Advanced Education. The proximity of these events prompted questions about their relationship, and specifically: "Whether in fact the Report recommendations preceded the creation of the new Department of Advanced Education, or whether the recommendations were adjusted to accommodate changes already made . . . ."[43]

In any event, the government's general endorsement of the Worth commission report was eloquently confirmed when its author was appointed deputy minister of the new department in September 1972. And with that appointment, a fascinating trail of events was set in motion.

In October, the minister confirmed that the Universities Commission, along with its college counterpart, would be wound up at the end of the current year, a task that was accomplished by legislation in 1973. In December 1972, it was announced that academic planning for Athabaska University would henceforth be directed "towards the design and delivery of multimedia university level courses to off-campus students."[44] By all accounts, Athabaska was now to become the Alberta Academy proposed by the Worth commission, albeit with its own governing board.

Having assumed the powers and responsibilities of the defunct intermediary agencies, the Department of Advanced Education began a major reorganization and consolidation of its own structure and mandate. The proposals were developed by an advisory committee reporting to Dr. Worth, were approved by cabinet in December 1973, and involved three phases. Phase 1 was directed to the immediate staffing of the department to bring it to its full complement, Phase 2 involved a review and consolidation of all legislation administered by the department, and Phase 3 envisaged continuing modifications in the light of changing needs. Phase 1 was accomplished mostly by absorbing staff from the former Colleges Commission, but not the Universities Commission. It was Phase 2, begun in 1974, that was to be particularly controversial.

The review and consolidation of legislation certainly proved to be the latter, for what emerged in July 1975 was a draft omnibus bill that would consolidate a host of existing statutes, including the Universities Act, into a comprehensive Adult Education Act.[45] The fears of university leaders that their institutions were to become merely cogs in the wheel of a massive provincial postsecondary system were certainly not allayed when the minister of labour and manpower took over the advanced education portfolio. For in so doing, he took the manpower division of his former department with him, creating the Department of Advanced Education and Manpower.

The universities were quite simply appalled that they and their traditions of institutional autonomy and academic freedom might be dissolved into an act that was concerned as much with trade schools as with universities, and that gave wide discretionary powers to the minister. The upshot was an aggressive lobbying campaign.

> In the brief span between August and December of 1975 the universities of Alberta, in league with the independent professions, mounted a campaign of academic argument, letter writing, lobbying, and personal intervention at the highest possible levels . . .[46]

The lobbying effort was successful, and in January 1976 the omnibus bill was withdrawn, the decision to do so apparently having been taken by the minister himself on New Year's Eve.[47] In the same year, Alberta scrapped its enrolment-driven funding formula. Henceforth, the distribution among the three universities (Athabaska was never on the formula) would be fixed at the 1975-76 proportions, with each institution's grant incremented each year and with additional adjustments for new programs.[48]

Alberta had backed away from a comprehensive policy framework encompassing all components of postsecondary education. British Columbia, by way of contrast, seemed unwilling even to contemplate such an approach and moved ever so haltingly through a series of steps that led finally to an acceptable proposal for the restructuring of government-university relations.

British Columbia: From Perry to Young. The fact that British Columbia had not developed an effective intermediary agency, and therefore a system for distributing provincial grants that satisfied the universities on grounds of equity, provided part of the backdrop to the appointment of the advisory committee on inter-university relations in May 1968. The other part of the backdrop was the government's concern, shared in degree by all provincial governments, that the rate of growth in university expenditures, and therefore provincial grants, could not be sustained.

The committee was chaired by Dr. G. Neil Perry, deputy minister of education, and included a member from each of the three university boards of governors, plus Dr. Sperrin Chant, joint-chairperson of the academic board and the financial advisory board. After receiving briefs from university boards and senates, as well as faculty, student and alumni associations, the committee held a short series of public hearings and submitted its report to the government in March 1969. And there it sat. Amazingly, the government refused to release the report, a mild and conciliatory document the principal conclusion of which was that the dual intermediary agencies had not proved effective and should be replaced by a new coordinating body.[49] In the turbulent atmosphere of British Columbia politics, withholding the report served mostly to stimulate rumours about its supposed radical content. Dr. Perry subsequently left the provincial public service, apparently frustrated by the lack of government action.[50]

In 1972 a new government was elected, and the new minister of education quickly released the Perry report, announcing at the same time that she accepted the idea of a more powerful intermediary agency.[51] By then the original report had lost its lustre, however, and the minister, Hon. Eileen Dailly, started the whole process once again, this time appointing a university-government committee chaired by the New Democratic Party's educational guru and the government's commissioner of education, John Bremer. Bremer soon lost favour with his patron, however, and was summarily dismissed in January 1974. With that, Walter Young, professor of political science at the University of Victoria assumed the chair and finally brought the project to fruition, reporting in May 1974.

The terms of reference of the committee were to "consider the . . . forms of university governance, with particular reference to the relationship between the Universities and the Provincial Government."[52] In fact, the greater part of the report was taken up with considerations of internal institutional arrangements. But on the question of university-government relations, the committee was quite specific:

> The Committee takes the view that an intermediary body known as the Universities Council is necessary in British Columbia for the reconciliation of public accountability with university autonomy and to ensure a greater sensitivity to social needs in the development of university education.[53]

The power of the proposed council was to be modest, consisting mainly of the reciprocal rights of receiving information and tendering advice. As the committee itself acknowledged, "the power of the Council . . . stops short of being able to require the universities to take any specific course of action."[54]

The government immediately accepted the proposal of the Young committee, and established the Universities Council of British Columbia (UCBC) in 1974. From the beginning, the new agency played a remarkably passive role in managing the university-government relationship. In the distribution of government grants, for example, the council simply took the partial formula worked out by the universities themselves and used its results for 1973-74 as the base for future grants. That formula had involved the distribution of 70 per cent of the government grant on the basis of weighted enrolment, 20 per cent on the basis of unweighted enrolment, and 10 per cent divided equally among the three universities.[55] Beginning in 1974-75, each university's base funding from 1973-74 would simply be increased by the percentage increase in the total grant provided by the provincial government. The universities could be forgiven if they sometimes questioned the value of the new arrangement.[56]

Nova Scotia, meanwhile, had also changed its government, in the fall of 1970. The next spring the new premier, Gerald Regan, established a royal commission with unusually extensive terms of reference, encompassing education, public services, and provincial-municipal relations. It was headed by the Dalhousie economist, Dr. John Graham, and would take three years to complete its enquiry.

Nova Scotia: The Graham Report. One volume of the royal commission's 10-volume report[57] was devoted entirely to universities. In it, the commission posed the central problem much as had Walter Young in British Columbia: "The essence of the problem is balancing the requirements of public accountability and academic freedom."[58] Indeed, both reports then went on to address the appropriate ways in which universities ought to serve the public good. Here, they parted ways dramatically. To the question, "How can universities meet the needs of society?" Young had responded: "The answer is accessibility. They should ensure that as many men and women as can benefit from university education be afforded that opportunity."[59]

Not so for the Graham commission:

> Thus far there seems to have been an unthinking tendency on the part of universities—and governments—to see their task as being little more than to provide places for all comers . . . . [T]here must be less emphasis on mere numbers, and more emphasis on achieving basic purposes.[60]

In assessing the basic purposes of universities, Graham took a conservative approach, but one for which he found ample support in the submissions of the universities themselves. The difficulty, he concluded, ". . . lies in the universities' failure to act in accordance with the objectives they have set themselves."[61] The basic purposes of universities, Graham argued, had to do with teaching, research, and the preservation of knowledge. But these purposes must not be pursued indiscriminately, for universities ". . . are not trade schools or high schools. Nor are they welfare offices, research institutes or manpower centres."[62] On the contrary, ". . . they can provide an effective service for only a minority of the population, namely those students who are both able to undertake higher intellectual study and are interested in such studies. . . . The function of the universities is, or should be, therefore, primarily to provide an opportunity for higher intellectual study to this group of students and, in some instances, to prepare people for the intellectually demanding professions."[63]

The report was critical of public pressures and government policies that had the effect of diverting universities from their basic and unique purpose. These pressures and policies, in turn, resulted from two notions which the commission went to considerable lengths to discount: an irrational infatuation with the university degree as a certificate of competence and therefore an appropriate screening device for entry to employment or further professional training, and an exaggerated view of the economic returns to society from university education. To Graham, the problem was not that society's faith in the economic value of universities was slipping; the problem was that universities had ever allowed themselves to be diverted from their proper purpose in pursuit of an economic justification.

From this it was both a short and a logical step to the conclusion that students should pay a higher proportion of the cost of their university education. Here, Graham took an approach initially similar to that of the Wright commission in Ontario, suggesting that the costs of instruction and research be separated. But Graham went much further, recommending that students be charged the full costs of instruction, a recommendation that would have about doubled the existing fees for undergraduate arts and science students in Nova Scotia. This was qualified, however, by two other recommendations. Charging students the full costs of instruction should not proceed unless accompanied by a much more generous student aid program and until sufficient other provinces agreed to a similar tuition policy.[64] In the meantime, the enrolment-based funding formula should be scrapped and replaced by block grants, announced well in advance.

The Graham commission strongly supported the idea of an intermediary agency, and endorsed the proposed establishment of the Maritime Provinces Higher Education Commission (MPHEC). It also called for an improved provincial bureaucratic competence, opting for the Quebec model of a specialized unit within the Department of Education.

The recommendations of the Graham commission had extended far beyond the universities. The far-reaching proposals for municipal reform, which were accompanied by a meticulous timetable for their implementation and which elicited spirited opposition from some quarters, gave the government particular reason to pause, and subsequently to abandon any thought of a general implementation of the report. In the process, the government gave far too little attention to the thoughtful and thought-provoking treatment of higher education. Subsequent public policy unfolded with little apparent benefit from the work of the commission. A not dissimilar fate greeted Manitoba's task force on postsecondary education, even though its philosophical approach stood in marked contrast to that underpinning the Graham commission.

Manitoba: The Oliver Task Force. The seven-member task force on postsecondary education, chaired by Michael Oliver of Carleton University, was appointed in February 1972 and reported in November 1973. It set improved accessibility as its principal objective: "The great need of the Seventies in post-secondary education, as we see it, is for a rationalization of the system in order to accomplish the goal to which everyone pays lip service, that of equality of opportunity."[65]

The rationalization proposed by the task force involved an interesting combination of centralization and decentralization. In pursuit of a more coherent provincial system, the task force proposed the establishment not only of a minister and department of postsecondary education, but also of one intermediary agency responsible for the entire sector. To enhance accessibility for those outside the metropolitan centre of the province, as well as for a number of disadvantaged groups throughout the province, the task force proposed a regional delivery system independent of the universities and colleges. Reflecting this approach, the proposed commission on postsecondary education was to consist of three divisions, one for universities, one for community colleges, and one for regional affairs.[66]

Manitoba's task force disagreed sharply with both Wright and Graham in its analysis of the appropriate level of tuition fees: "Returning to high tuition levels would retard gains already made in improving access to post-secondary education and would tend to reinforce the existing class biases of our universities."[67]

It was in full agreement with Graham, however, in criticizing the use of an enrolment-based funding formula. In situations of slow enrolment growth, and even declining enrolment, such a formula was bound to result in financial difficulties, especially for the two smaller universities. Moreover, since existing formula weights had been based on a study of relative program costs at the University of Manitoba, the task force argued that the formula did not fairly represent the different situations of Brandon and Winnipeg. The task force's proposed solution was one based on nine budget categories, somewhat analogous to the Quebec system, but with the amount of the provincial grant in eight of the categories negotiated between each university and the universities division of the intermediary commission. Only in relation to academic instruction (about half of all operating expenditures) would there be an enrolment-driven formula, and even there it was proposed that program weights be derived from separate cost studies in each of the three universities.[68]

Neither the government nor the existing Manitoba Universities Grants Commission took up these proposals immediately, but the UGC was driven to a similar financial arrangement by force of circumstances. Declining enrolment had caused particularly severe financial problems for Brandon University and, beginning in 1973-74, the formula was suspended for that university and a purely discretionary grant substituted (a flat 10 per cent increase over the previous year's grant).[69] By 1974-75 the operating formula was all but completely abandoned in the face of a financial crisis at the University of Manitoba, which was running a $4-million deficit. The government responded through the UGC with a special grant of $2 million and a requirement that the university balance its budget for 1975-76 and liquidate the remainder of the deficit over five years.[70] In fact, the university ran a $1.9-million deficit for 1975-76 which was covered by a further supplementary grant. By 1976, with enrolment down again by almost 4 per cent overall, formula financing was formally abandoned and replaced with a system of budget review based on defined categories of expenditure, much as had been recommended by the Oliver task force.

Meanwhile, the government had decided not to proceed with any of Oliver's proposed structural changes.[71] This stood in sharp contrast with the fate that awaited the last of the provincial studies. Occasioned by a very specific issue, its proposals were nonetheless far-reaching and their immediate implementation quite changed the structure of higher education in Saskatchewan.

Saskatchewan: Bill 90 and the Hall Royal Commission. The background to the appointment of the three-person royal commission in 1973, chaired by Mr. Justice Emmett Hall, lay in the long-standing difficulty of governing the two-campus University of Saskatchewan. The latest attempt at accommodating the growing frustrations on the Regina campus came in the form of legislation, Bill 90, introduced in April 1973. It proposed to grant virtual equality to the two campuses by transforming the single university into a provincial system. Each campus would have a council, senate, board and president, but would be subject to a provincial board of regents.[72]

The bill was greeted with strong opposition from the university, partly on the grounds of inadequate prior consultation, but also because of fears that it would greatly increase provincial control of university policy. The government responded by withdrawing the bill and appointing the royal commission.

The commission quickly discovered a highly polarized university, characterized by "animosity, even bitterness, between academics on the two campuses . . . ."[73] With that, it moved quickly to its basic finding and recommendation:

> . . . having weighed the advantages and disadvantages of what is known as a multi-campus system and that of independent universities, we were left in no doubt but that for Saskatchewan at this time and in the climate existing on the two campuses, the only viable solution was to recommend two independent universities under the umbrella of a Universities Commission.[74]

In one sense, the Hall commission was merely proposing the substitution of a coordinating commission for a board of regents. Thus: "In this Universities Commission the concept of university education in Saskatchewan as being a unified province-wide undertaking albeit with two separate universities will be perpetuated."[75] In fact, however, there was little prospect of this, both because each university would have its own board and council (the senior academic body) and because the proposed universities commission would have no power beyond budget review and the distribution of government grants.

The government accepted the Hall commission's proposals, and in April 1974 three pieces of legislation were passed, creating the University of Regina, confirming the University of Saskatchewan as a single campus institution in Saskatoon, and establishing the Universities Commission. But it went one step further, naming as acting presidents the current principals of the two campuses and thereby dismissing the president of the University of Saskatchewan, Dr. J.W.T. Spinks.[76]

The Saskatchewan Universities Commission was established much as the Hall Commission had proposed, with advisory powers of budget review and distribution of government operating and capital grants, and with responsibilities to plan and coordinate the university sector "in consultation with the institutions and the interested associations."[77] This was initially interpreted rather broadly by the commission:

> In addition to concern about the implications of a possible decline in enrolments and deficiencies seen in the present system of funding, the Commission in 1975-76 began serious consideration of a broader concern—the need to arrive at agreement about the prin-

> ciples for future development of the two Saskatchewan universities.[78]

If that sounded as though the commission intended to play an active role in university development, it quickly backed away from such a suggestion. By 1977 it had clarified its 1976 statement: "The aim behind these words was not the creation of a "masterplan" or blueprint, of course, but rather the institution of a process by which attention could be directed to the broader and longer range questions facing universities now."[79]

There were also longer range questions facing the provinces including, in particular, relations with the federal government and the intergovernmental fiscal arrangements respecting universities. There were also questions of regional and international concern, some of which yielded important cooperative interprovincial studies and policy initiatives.

Interprovincial Studies and Initiatives

The fiscal arrangements put in place for 1967 were intended to expire in 1972. These arrangements had not turned out as expected, however. For the provinces, actual expenditures by universities exceeded the revenues obtained from the equalized transfer of tax points so that, for every province, the scheme had quickly become a shared-cost program with the federal government picking up the equivalent of half the total expenditures of universities (and other postsecondary institutions) in each province.[80] Moreover, the relative contribution of the transferred tax points was diminishing each year, dropping from 56.9 per cent of the total transfer in 1967-68 to 48.4 per cent in 1970-71.[81] For the federal government, the scheme had turned into a very costly commitment. As university expenditures soared, the federal treasury was faced with a virtual blank cheque, an open-ended obligation to transfer to the provinces half of whatever was spent by provincial universities. The actual cash transfers, which for 1967-68 had exceeded the original estimate by some 42 per cent,[82] increased by a staggering average of about 30 per cent in each of the subsequent three years. If the imputed annual provincial yield from the tax room transferred in 1967 is included in the federal transfer, as it consistently is in federal government calculations, then the average annual increase in the total transfer between 1967-68 and 1970-71 was a more modest, but still substantial 22 per cent.[83]

Not surprisingly, both sides began looking for alternatives to the existing arrangements, the federal government to control the growth in transfers if not to scrap the scheme altogether, and several of the provinces to substitute an unconditional transfer of tax points. The provinces were by no means unanimous in this, however, and in an attempt both to prepare for the upcoming renegotiation of the fiscal arrangements and to build a common provincial position, the Council of Ministers of Education agreed in 1970 to commission a major study of the magnitude and implications of federal involvement in the financing of postsecondary education. The study was undertaken by Dr. Stephen Peitchinis, an economist at the University of Calgary.

The Peitchinis Study of Postsecondary Finance. The Peitchinis study was completed by the summer of 1971. Its recommendations derived from a firm constitutional position that postsecondary education is a provincial responsibility. But the future context in which Peitchinis envisaged this responsibility being exercised was one characterized by increasing enrolment and increasing government expenditure.

At the heart of the report was a set of enrolment and cost projections through to 1980-81. Over this 10-year period, full-time undergraduate enrolment was projected to increase by about 90 per cent. Graduate and part-time enrolment was projected to increase even faster (at 214 per cent and 178 per cent respectively, over the 10 years).[84] Total costs (operating and capital) would increase faster still, from $1.6 billion in 1970-71 to $4.4 billion by 1980-81 (measured in constant 1969-70 dollars), an increase of 181 per cent.[85] In this analysis, Peitchinis projected that between two thirds and three quarters of the increase in cost would result from increased enrolment, with the remainder representing increases in the cost per student resulting from a shift to graduate and other more expensive programs.

Assuming that capital funds would be available to provide adequate accommodation for the increased enrolment, Peitchinis calculated that: "... the universities would then require increases in operating funds at the rate of about 17 percent annually in the next five years (1970-71 to 1975-76), and at the rate of about 14 percent annually in the following five years (1975-76 to 1980-81)."[86]

Peitchinis saw no effective alternative but to accept these increases in cost. And with that, he proposed a series of measures that would have altered dramatically the respective responsibilities of the federal and provincial governments and the individual student. On research, Peitchinis argued not only that federal grants should cover indirect as well as direct costs, but also that the existing granting councils should be dissolved into a new, federal-provincial commission for social, cultural and scientific development.[87] On instruction, he opted for a major overhaul of student aid programs, so as in fact to gear the amount of aid directly and fully to covering the deficit between a student's ability to pay and the costs to the student of a university education. Other features of the aid package would then promote specific objectives of public policy, such as encouraging interprovincial mobility and scholarly excellence.

Peitchinis saved his harshest criticism for the two levels of government and their record of public policy toward universities:

> There is no evidence in the historical record of any consistency in government policy relating to universities. Both the federal government and the governments of the provinces appear to have responded to events and pressures as they arose, and at such times usually responded with hastily formulated programmes, without any apparent consideration of the implications for the institutions and for federal-provincial relations.[88]

To improve that record, or at least to create an institutional framework through which it might be improved, Peitchinis recommended the establishment of a permanent federal-provincial committee on postsecondary education. As a matter of constitutional principle, he argued, the federal government should be required to bring to this committee "all matters related to education in which it believes it has an interest." Furthermore, he concluded:

> It should be a matter of principle that the federal government will not initiate nor put into effect any measures which have direct or indirect implications for education, without prior discussion in the proposed committee and without agreement with the government of the province or provinces whose institutions will be affected by the contemplated policy measure.[89]

The Peitchinis report was addressed to an interprovincial council of education ministers. As part of the broader pattern of federal-provincial fiscal relations, however, the development of a provincial position on the federal role in financing postsecondary education was of at least as much concern to provincial ministers of finance. In fact, Peitchinis delivered his report at about the same time as the latter were meeting in federal-provincial conference. Following that conference, in July 1971, the federal minister of finance, Hon. E.J. Benson, announced that the 1967-1972 arrangement would be extended for two years, to 1974, while efforts continued to find a more satisfactory approach. During the extension, however, the federal transfer would be limited to a maximum annual increase of 15 per cent.

The provincial premiers, in turn, decided at their 1972 annual conference to direct their ministers of finance and education to meet jointly to prepare for the next round of intergovernmental negotiations on postsecondary funding. The upshot of that directive was the establishment of an interprovincial working group of officials, designated the task force on the financing of postsecondary education.[90]

Not all interprovincial cooperation was directed at the federal government. Indeed, the establishment of the Maritime Provinces Higher Education Commission in 1974 stands as one of the most impressive examples of cooperation on a regional scale.

Regional Cooperation and the MPHEC. The establishment of the Maritime Provinces Higher Education Commission was a unique experiment that very nearly did not happen at all. The three premiers, friends and former classmates in law at Dalhousie, had moved with alacrity in January 1971, accepting the recommendations of the Deutsch report on Maritime Union, save for the principal of union itself, agreeing also to the establishment of a regional intermediary agency for higher education, an agreement that would be formally confirmed at a subsequent meeting in May.

Things did not move quite so quickly thereafter. It was a year from the initial meeting before the premiers announced that Dr. W.J. Jenkins, principal of the Nova Scotia Agricultural College, would chair the commission, and that he would proceed in the interim to prepare detailed proposals and draft legislation. Jenkins' proposals called for an agency with comprehensive authority that would replace the existing provincial buffers and would be the medium through which provincial grants were paid to universities.[91] The latter proposal ran afoul of the views of both senior officials and the minister of education in Nova Scotia, Hon. Alan Sullivan. The minister quite publicly declared his opposition to transferring expenditure responsibility to an agency beyond ministerial or legislative control.

The dispute ended up in a compromise, considered and approved by the premiers in December 1973. In it the focus of the proposed commission's role shifted from control to cooperation and planning, reporting to the provincial legislatures through the Council of Maritime Premiers.[92]

The difficulties were not yet over, however. Common legislation was drafted, to be enacted in the 1973 sessions of the three legislatures. But when the Nova Scotia bill was introduced several key provisions had been changed, the changes merely pencilled in over the original. According to one senior official, the changes had been made by a legislative draftsman, without departmental or ministerial direction, and without the knowledge of the premier. By the time that fiasco was corrected, and identical legislation approved by the three legislative bodies (in March in Prince Edward Island, April in Nova Scotia, and June in New Brunswick), Dr. Jenkins had abandoned the project. It took until January 1974 for a successor to be named, but it turned out to be a fortuitous choice. The Maritime Provinces Higher Education Commission came formally into being on April 1, 1974, with Dr. Catherine Wallace, former president of Mount Saint Vincent University, in the chair. The three provincial grants commissions, which had been meeting jointly for some time, were then phased out, and ceased to operate after June 1974.

The MPHEC was established as an agency of the Council of Maritime Premiers, with the stated purpose of assisting ". . . the Provinces and the institutions in attaining a more efficient and effective utilization and allocation of resources in the field of higher education in the region."[93] Its more specific responsibilities followed the general pattern of provincial intermediary agencies, including advice to government on the financial needs of the institutions and responsibility for distributing funds allocated by the provinces, "in accordance with the approved financial plan and formulas . . . ."[94]

The mandate of the MPHEC extended to no fewer than 22 institutions, 15 of which were designated as universities. The composition of the MPHEC was based on a formula that nicely balanced both regional and professional interests. Five members were appointed from names suggested by the universities, five by the premiers from among public servants and heads of non-university postsecondary institutions, and five from the general public. At the same time, at least one person in each of the three categories was to come from each of the three provinces.

The initial efforts at regional coordination met with mixed results. Prince Edward Island had already rationalized its post-secondary institutions, and little more could be done there. New Brunswick had also taken major steps toward consolidation, and it remained only to resolve the lingering difficulties of Moncton's three affiliated colleges, Bathurst, Saint-Louis-Maillet and Jésus-Marie. The MPHEC pursued this task vigorously, appointing a special committee in September 1974 and holding extensive discussions with the institutions involved. In 1975 Collège de Bathurst was closed, with its facilities being absorbed into the provincial community college. After two more years of deliberations, the two remaining colleges were absorbed into the university, but in a manner that both secured for New Brunswick a single French-language university and preserved a physical university presence in the extreme northeast and northwest corners of the province.[95]

The story was quite different in Nova Scotia. In fact a new institution, the College of Cape Breton, had been established in the very year that the MPHEC began to function. It was formed by merging Xavier College, the Sydney junior affiliate of St. Francis Xavier University, with the Nova Scotia Eastern Institute of Technology. University degrees would continue to be granted through St. Francis Xavier. It was no small coincidence that the new college was situated in the electoral constituency of Nova Scotia's minister of education.

At about the same time, a quite extraordinary fate awaited the proposed merger of the technical college with Dalhousie, perhaps the Nova Scotia UGC's most ambitious bequest to the MPHEC in Nova Scotia. Both the college and the university had approved the merger and permissive legislation was introduced in November 1974. After second reading, the bill was referred to the all-purpose law amendments committee for detailed consideration. Here, the bill ran into strong opposition not only from the college's alumni but also from Acadia University, one of the feeder institutions to the technical college. When the committee reported a week later, it was to recommend that the legislation be "hoisted" (technically, that third reading be taken up again six months hence).[96] The government appointed a select committee to study the issue and promptly abandoned the project, leaving the college in a state of limbo.

The MPHEC was neither the first nor the only attempt at regional cooperation in higher education. There had been previous cooperative arrangements among the Maritime and Atlantic provinces, while New

Brunswick had entered into a formal agreement with Quebec in 1969-70 to reserve several places in medicine and dentistry in Quebec universities for francophone students from New Brunswick, with an agreed interprovincial per student cash payment (other professional programs would be added in subsequent years).[97]

There was also a less formal interprovincial mechanism established among the western provinces, the Inter-Provincial Committee on University Rationalization (IPCUR), created in 1966 by the Prairie Provinces Economic Council (comprising the premiers of Alberta, Saskatchewan, and Manitoba and, later, as the Western Premiers Conference, with British Columbia). IPCUR was never an effective force for coordination, however, even after it was restructured in 1971 to include cabinet ministers as well as university and intermediary agency officials. According to Bernard Trotter,

> While some useful coordination of planning for library science and architecture was done under IPCUR auspices, few of its other initiatives bore visible fruit. It proved to be neither a university forum nor a credible joint university/government body. According to one senior western official 'it died of suspicion.'[98]

If nothing else, interprovincial cooperation seemed capable of studying problems. This capability was put to a vigorous test when the Council of Ministers of Education (CMEC) undertook, in conjunction with the Secretary of State's Department, to coordinate Canada's participation in the review of education policies by the Organization for Economic Cooperation and Development (OECD), from 1973 to 1975.

The OECD Review. The OECD reviews of national education policies followed the pattern of a typical academic accreditation proceeding. Initially, the host country prepared a set of mostly descriptive background studies. Then, a team of external examiners, having read the background material, conducted on-site visits and interviews and prepared a report. Finally, the national delegation and the examiners confronted each other in a discussion of the report and reactions to it. Canada's "confrontation" took place in Paris in December 1975.

The external examiners were particularly critical of what they perceived to be the absence of goals or objectives underpinning Canada's educational efforts:

> The further development of Canadian educational policy is therefore clearly approaching a danger zone, in which more is at

> risk than simply the quantity of finance available. The virtues of an essentially pragmatic educational policy will be tested in the extreme. **If those responsible for educational policy are not promptly able to base the development of school and education on a firm goal-oriented footing, then they risk being pushed to the side in the general political competition for resources.**[99]

At the same time, the examiners were also critical of the extent to which some provinces sought to control university decisions, singling out Alberta and Quebec in this regard. But they reserved their harshest criticism for the failure of interprovincial and provincial-federal coordination in higher education. Noting that neither political leadership nor responsibility "is forbidden under the BNA Act," they recommended that the CMEC be transformed: ". . . into a national forum for the working out of educational policies, so that the Federal government may be involved in a systematic and open manner in discussions of educational policy that transcend Provincial boundaries."[100]

The federal government, at least, was to latch on to that recommendation, incorporating it as an integral component of its package of proposals for a new federal-provincial arrangement in postsecondary education unveiled in July 1976.

Federalism Revisited

The federal-provincial fiscal arrangement put in place in 1967 had turned out to be seriously flawed for both parties. For the federal government it was a very expensive arrangement which provided no substantive policy leverage, and even with the cap imposed after 1972, resulted in annual increases of 15 per cent. For most of the provinces, the very principle of conditional grants had become offensive, not least because of the priority-distorting effects of spending "fifty-cent dollars." Neither party, however, could come up with an acceptable alternative and this, as well as a preoccupation with inflation, explains the decision simply to extend the original arrangement yet again, still with the 15 per cent cap, for another three years to 1977.[101]

The federal government unveiled its proposal for a successor arrangement during the conference of first ministers in June 1976. It envisaged a radical departure in fiscal federalism, scrapping altogether the shared-cost approach and substituting an unconditional block transfer covering not only postsecondary education but also two other "established" programs, medicare and hospital insurance.

Established Programs Financing. As finally negotiated, the Established Programs Financing (EPF) arrangement was deceptively simple in principle, despite the complexity of its appearance. Stripped of its complications, it was calculated in three steps. The first step was to determine the provincial "entitlement" under the three programs. This was set at the average level of federal transfers to all provinces for 1975-76, or $212.65 per capita. This figure would then be indexed annually in line with increases in the gross national product (GNP), and multiplied by the current population of each province to arrive at its actual entitlement for a given year. Having established each province's total entitlement, it remained only to apportion it between the two components of the actual transfer: cash and tax room. This constituted the second and third steps.

The portion paid in cash was simply half of the total entitlement, or $106.32 per capita. The remainder was embodied in a transfer of tax room. For this purpose the federal government reduced the rate of its personal income tax by 8.143 per cent which, when added to the 4.357 per cent transferred to the provinces in 1967, brought the accumulated total to 12.5 per cent. In addition, the tax at 1 per cent of corporate income transferred to Quebec in 1960 and to the other provinces in 1967 continued as well. The general equalization formula applied to these transfers, meaning that provincial taxes levied in place of the reduced federal taxes would yield for each province at least the national average per capita revenue. The wealthier provinces, however, would retain the advantage of their above-average taxing capacities.

The latter inequity led to the first of three complicating factors in the EPF arrangements. Revenue from the transferred tax room was expected to increase faster than GNP and therefore faster than the provincial entitlement, which was indexed to GNP. For the first few years, however, there was concern that the poorer provinces might actually lose, if the yield of the transferred tax points turned out to be less than half the total entitlement. To compensate for this possibility, the federal government undertook to make an additional cash payment, as a transitional provision, to cover any such deficiency, and thereby ensure that revenue from the transferred tax room was at least equal to half the entitlement.

The second complication was also transitional, and arose from the very unequal per capita payments under the previous arrangement. In order to smooth out these inequities over time rather than all at once, a levelling provision was added. Provinces which had been receiving less than their EPF entitlement would be brought up to the uniform level over three years, while those which had been receiving more would be brought down over five years.

The third and final complication was destined to become a matter of considerable controversy. It arose from an undertaking by the federal government, consequent upon the introduction of income tax reform in 1972, that no province would lose revenue by virtue of the changes to the new, common tax base. The federal government sought to remove that revenue guarantee in the 1976 negotiations but agreed, as compensation, to add the equivalent of another 2 per cent to the transfer under EPF. This was split equally between the cash and tax portions, increasing the cash grant from $106.32 to $113.95 per capita (before annual indexing), and the personal income tax transfer from 12.5 per cent to 13.5 per cent (the corporate rate stayed at 1 per cent).

For administrative purposes, the cash grants were arbitrarily assigned by the federal government to the three established programs in the same proportions as applied under the previous arrangements in 1975-76. Thus, 67.9 per cent of the cash payments were considered to be for health (50.5 per cent for hospital insurance and 17.4 per cent for medicare) while 32.1 per cent was deemed to be for postsecondary education. Further, cash transfers in respect of health would be paid through the Department of National Health and Welfare while the postsecondary portion would be handled through the Secretary of State's Department. The transfer of tax room was accomplished by a one-time reduction of the federal government's own tax rates, while the equalization, transitional, and levelling adjustments were the responsibility of the Department of Finance.

The federal position, as embodied in this arrangement, was based on a curious blend of conflicting premises. On the one hand federal transfers were to be entirely unconditional.[102] The provinces, stated Prime Minister Trudeau, "would not have to make matching expenditures of any kind from their own resources."[103] But on the other hand, the federal government was not proposing to abandon its interest in the outcomes of the fiscal transfer. Again, the prime minister was quite explicit:

> ... when funds are made available by Parliament under the spending power, there is need to ensure that the funds are spent wisely. The federal government does not administer these programs because they are in fields which are basically under provincial jurisdiction. It does nevertheless have to concern itself with what is done with the funds that Parliament makes available.[104]

In effect, the federal government removed any conditions on what the provinces did with the revenues transferred under EPF for postsecondary education, while simultaneously claiming a continuing interest in the disposition of those very same revenues. Without fiscal leverage, how would this federal interest be pursued?

The answer appears to lie in two assumptions about how the new arrangement would actually work. In the first place, there was an evident confidence that the political process would restrain any provincial temptation to shift expenditures away from these established programs. Thus, although no such condition was ever established or even apparently proposed, the assumption was that spending on postsecondary education would grow proportionately with the EPF transfer:

> ... the federal government believes that it should be prepared to maintain its contribution at a level which rises not greatly different from the rate of increase in the Gross National Product. **If the provinces were to do likewise**, these programs would be assured in the future of a proportion of the national wealth no less than they receive now.[105]

The second assumption, also without any reciprocal provincial commitment, picked up specifically on the national forum idea advanced in the OECD report. As one of five principles that should underpin the EPF arrangements, the federal government proposed to invite itself into "continuing ... participation with the provinces in the consideration and development of policies of national significance in ... postsecondary education."[106]

Some progress had been made in this regard. In 1974 a task force on research was established jointly by the CMEC and the Ministry of State for Science and Technology (MOSST). One of the study groups set up under the task force was charged with examining the costs of research and, in particular, the question of indirect costs. Then, following the June conference of first ministers, a more formal structure was put in place, the Canadian Committee on Financing University Research (CCFUR). It consisted of 10 provincial representatives, five of whom were drawn from universities, and 10 federal officials.[107] The CCFUR assumed responsibility for the research costing study, which was contracted to the Canadian Association of University Business Officers (CAUBO).

Noticeably absent from these intergovernmental discussions and negotiations was any participation by the AUCC. The days of the special relationship between the AUCC's forerunner, the NCCU, and the federal government were long gone. In August 1976 the association's board of directors had commissioned a comprehensive study of alternative approaches to the financing of universities, "... with a view to recommending a firm university position on the matter."[108] The study was undertaken by Dr. Peter Leslie, a political scientist at Queen's, but it would be 1980 before a report was submitted.

Meanwhile, the AUCC had immediate concerns about the implications of EPF and particularly about the silence of the legislation introduced in the federal parliament early in 1977 with respect to such issues as guaranteeing interprovincial student mobility, supporting programs of national importance, monitoring provincial expenditures, and ensuring reasonable access for foreign students. In a letter to the prime minister, dated February 28, 1977, the association's president, Dr. H.E. Duckworth of the University of Winnipeg, wrote that: "We hope that these important questions will not be overlooked and that a forum will develop through which the members of the AUCC may assist provincial and federal authorities in their discussion of appropriate policies."[109]

The prime minister's April 25 reply was as blunt in rebuffing the AUCC as it was optimistic in assuming cooperation from the provinces:

> The Federal Government is deeply interested in those questions you are raising.... It is however within the framework of the Council of Ministers of Education of Canada or the Canadian Committee on Financing University Research that it intends to examine them.[110]

In due course, the provinces would frustrate both of the federal assumptions underpinning EPF. In the meantime, however, other changes were afoot. For one, the program of CMHC mortgage loans for student housing was terminated in 1978, the federal government having decided, in the words of one senior official, "... to target its assistance to the needy households in our society, such as low-income families, the elderly, and the disabled." For another, the federal granting councils went through a major reorganization, much along the lines proposed almost a decade earlier by the Macdonald study group.

Reorganizing for Research. It was not only the Macdonald study which had argued for a reorganization of the granting councils. In 1972 the second volume of the Lamontagne report was published, and it explicitly endorsed the structure proposed by Dr. Macdonald and his colleagues. Indeed, the Lamontagne committee went even further in the role it proposed for the federal government. It recommended: "... that teaching and ... basic research ... be conceived as two separate and distinct functions, to be supported according to different criteria and by different institutions."[111]

Such a conception cleared the way for teaching to be equated with education, in its constitutional sense, and therefore a provincial responsibility. "On the other hand," the committee argued, "the Canadian government would assume the financial responsibility for basic research in universities ...."[112] In this proposal, the committee also endorsed another Macdonald recommendation, that federal grants cover both the direct and indirect costs of university research.

The federal government finally moved to act on these recommendations in 1976, but when it did so it was within the context of severe expenditure restraint and the action was limited to a restructuring of the granting councils themselves. Under legislation introduced in December, the mandate of the Canada Council was confined to the fine and performing arts, while a new granting council was created, the Social Sciences and Humanities Research Council (SSHRC). Similarly, the National Research Council was stripped of its granting function, which was shifted to a new agency, the Natural Sciences and Engineering Research Council (NSERC). Finally, the terms of reference of the Medical Research Council were expanded slightly, to create the three-council structure proposed by both Macdonald and Lamontagne. An inter-council coordinating committee was also established, but neither the grand rhetoric of a national science policy nor even the practical proposal to assume responsibility for the indirect costs of research found their way into the federal legislation.

The federal government had taken a significant step in the direction of rationalizing its research support. The ever-present pressures of competing budgetary priorities precluded that step from being more than a modest one. Those pressures would only mount in subsequent years, and not only at the federal level, with the result that both the federal and provincial governments embarked once again on a search for new directions.

Notes

1. Edward Harvey, *Educational Systems and the Labour Market*. Toronto: Longman, 1974, p. 172.

2. Nova Scotia, University Grants Committee, *Annual Report, 1970*, pp. 11-12.

3. Ibid., 1973, p. 3.

4. L.J. Hughes, *The First Athabaska University*. St. Albert, Alberta: Athabaska University, 1980, p. 43.

5. The five categories were: salaries of professional and managerial staff supporting instruction, salaries of professional and managerial staff in other areas, salaries of support staff, fringe benefits, and all other expenditures.

6. Over the course of the next decade, Quebec employed a number of different methods of calculating enrolment growth for grant purposes. Initially, growth reflected both the rate of increase and the total enrolment of each institution. Then, beginning in 1977-78, only growth in enrolment was used, but discounted at 75 per cent of the actual increase. This was dropped to 50 per cent the following year. In 1979-80 a sliding scale was introduced. Growth of less than 4 per cent would be counted at 25 per cent, between 4 per cent and 8 per cent at 50 per cent, and above 8 per cent at 75 per cent.

7. Quebec, Commission d'étude sur les universités, Study Committee on the Organization of the University System, *Report, Book One: The University Network*. May 1979, pp. 12-17.

8. See, for example, AUCC, *University Affairs*, February 1975. Supplementary adjustments to university grants for salary increases are reported as 1.7 per cent for 1972-73, 8 per cent for 1973-74, and 7.5 per cent followed by another 6 per cent for 1974-75.

9. Quebec, Commission d'étude sur les universités, Study Committee on the Organization of the University System, *Report*, Book I, 1979, p. 18.

10. This was an issue of some dispute within Quebec. Statistics Canada figures, as well as those produced by Ontario's Tripartite Committee on Interprovincial Comparisons, show Quebec's grants as significantly higher than Ontario's ($3,057 per student compared with $2,690 for 1974-75 or, if fees are included, $3,455 compared with $3,320. But CREPUQ argued that these figures were not comparable. Specifically, CREPUQ suggested that funding under Quebec's research grant program had to be removed, while enrolment should be adjusted to account for the

absence in Ontario of the equivalent of CEGEPs. With these adjustments, Quebec's operating support per student would fall substantially below that in Ontario ($45,26 for Quebec and $4,874 for Ontario). See Commission d'étude sur les universités, *Coordinating Committee Report*. Québec, May 1979, pp. 28-9.

11. Ontario, Committee on University Affairs, *Report of the Committee on University Affairs of Ontario for 1972-73 and 1973-74*, pp. 14-15.
12. Ibid., p. 18.
13. Cited in Ontario, Commission on Post-Secondary Education in Ontario, *The Learning Society*. Toronto: Ministry of Government Services, 1972, p. iii.
14. Ontario, Commission on Post-Secondary Education in Ontario, *Draft Report*. Toronto: Queen's Printer, 1972, p. 33.
15. Ibid., p. 35.
16. Ibid., p. 24.
17. Ibid., pp. 46-47.
18. Council of Ontario Universities, *Sixth Annual Review, 1971-72: Stimulus and Response*, 1972, p. 7.
19. Ibid., p. 8.
20. *The Learning Society*, pp. 107-08.
21. Ibid., pp. 124-5.
22. John O. Stubbs, *The Report of the External Advisor to the Minister of Colleges and Universities on the Future Role and Function of the Ontario Council on University Affairs and its Academic Advisory Committee*, 1988, p. 2.
23. Council of Ontario Universities, *Review, 1972-73 to 1974-75: New Structure, New Environment*, p. 6.
24. Cited in Ontario Council on University Affairs, *First Annual Report, 1974-75*, p. 21.
25. Ibid., pp. 23-27.
26. Ibid., p. 33.
27. Paul Axelrod, *Scholars and Dollars: Politics, Economics, and the Universities of Ontario, 1945-1980*. Toronto: University of Toronto Press, 1982, p. 191.
28. Ontario Council on University Affairs, *Second Annual Report, 1975-76*, p. 7.
29. OCUA, Advisory Memorandum 75-II. Cited in OCUA, *Second Annual Report, 1975-76*, p. 19.

30. OCUA, *Third Annual Report, 1976-77*, pp. 51-3.

31. OCUA, *Third Annual Report, 1976-77*, pp. 51-2.

32. OCUA, *Fourth Annual Report, 1977-78*, pp. 61-2.

33. Commission d'étude sur les universités, Study Committee on the Organization of the University System, *Report*, Book One, pp. 24-5.

34. Peter Leslie, *Canadian Universities: 1980 and Beyond*. Ottawa: AUCC, 1980, pp. 305-6.

35. Hon. Robert Clark, "Post Secondary Education Until 1972: An Alberta Policy Statement." Edmonton: mimeographed, 1970, p. 2.

36. Peter M. West, *The Formation of the Department of Advanced Education: A Case Study in Postsecondary Education, 1966-1973*. Unpublished Ph.D. thesis, University of Alberta, 1982, pp. 144-45.

37. Alberta, Task Force on Post-Secondary Education, *Interim Proposals*. Edmonton: mimeographed, 1971, p. 70.

38. Ibid., p. 85.

37. Alberta, Commission on Educational Planning, *A Choice of Futures*. Edmonton: Queen's Printer, 1972, pp. 84-87.

38. Ibid., p. 131.

39. Ibid., p. 82.

40. Ibid., pp. 128, 250.

41. Margaret Nussbaumer, *The Worth Report and Developments in Alberta's Post-Secondary Policies and Structures, 1968 to 1976*. Unpublished Ph.D. thesis, University of Alberta, 1977, p. 129.

42. Michael W. Small, *A Case Study in Educational Policy Making: The Establishment of Athabaska University*. Unpublished Ph.D. thesis, University of Alberta, 1980, p. 135.

43. The legislation to be consolidated included, in addition to the Universities Act, the Colleges Act, the Trade School Regulations Act, and the Student Finance Act.

46. Ian Winchester, "Government Power and University Principles: An Analysis of the Battle for Academic Freedom in Alberta," in *The Independence of the University and the Funding of the State: Essays on Academic Freedom in Canada*. Theme issue of *Interchange*, Informal Series 57, OISE Press, 1984, p. 51.

47. Ibid., p. 51.

48. J. Stefan Dupré, *Post-Secondary Operating Grants in Alberta: An Equity Study*. Edmonton: Queen's Printer, 1987, pp. 31-34.

49. British Columbia, *Report of the Advisory Committee on Inter-University Relations*, 1969, p. 24.

50. Patrick L. McGeer, *Politics in Paradise*. Toronto: Peter Martin Associates, 1972, p. 33.

51. AUCC, *University Affairs*, January 1973, p. 6.

52. British Columbia, *Report of the University Government Committee*, 1974, p. 5.

53. Ibid., p. 21.

54. Ibid., p. 25.

55. Lee Southern, *Government-Intermediary-University: The Financial Decision-making Role of the Universities Council of British Columbia*. Unpublished Ed.D. thesis, University of British Columbia, 1983, p. 134.

56. Ibid., p. 63.

57. The report was actually organized into four volumes, but was published in 10.

58. Nova Scotia, Royal Commission on Education, Public Services, and Provincial-Municipal Relations, *Report*. Halifax: Queen's Printer, 1974, Volume III, Chapter 61, p. 46.

59. British Columbia, *Report of the Advisory Committee*, p. 9.

60. Nova Scotia, *Royal Commission on Education*, Chapter 61, pp. 50-51.

61. Ibid., Chapter 62, p. 3.

62. Ibid., Chapter 62, p. 13.

63. Ibid., Chapter 62, p. 21.

64. Ibid., Chapter 64, pp. 60-65.

65. Manitoba, Task Force on Post-Secondary Education, *Post-Secondary Education in Manitoba*, 1973, p. 13.

66. Ibid., p. 117-18.

67. Ibid., p. 151.

68. Ibid., pp. 159-60. The nine budget categories were fixed costs (referred to as "first claims"), maintenance, ancillary services, academic administration, administration of support services, research, academic, community service, and capital.

69. Manitoba Universities Grants Commission, *Annual Report*, 1972-73, Appendix B, p. 4.

70. Ibid., 1974-75, p. 4. See also Peter Leslie, *Canadian Universities: 1980 and Beyond*, pp. 280-82.

71. Manitoba, Department of Colleges and Universities Affairs, *Annual Report 1975-76*, p. 5.

72. Michael Hayden, *Seeking a Balance: The University of Saskatchewan, 1907-1982*. Vancouver: University of British Columbia Press, 1983, p. 279.

73. Saskatchewan, Royal Commission on University Organization and Structure, *Report*. Regina: mimeographed, 1973, p. 7.

74. Ibid., p. 11.

75. Ibid., p. 14.

76. Hayden, *Seeking a Balance*, p. 284.

77. The Saskatchewan Universities Commission, *Annual Report*, 1974-75, p. 4.

78. The Saskatchewan Universities Commission, *Annual Report, 1976*, p. 18.

79. The Saskatchewan Universities Commission, *Annual Report, 1977*, p. 4.

80. The arrangement defined "postsecondary" as any program requiring junior matriculation, or its equivalent, for admission. Applied to individual provinces, this produced some interesting aberrations. Junior matriculation was defined as Grade 12 for British Columbia, Ontario, New Brunswick, and Prince Edward Island, but as Grade 11 for the others, meaning that in some provinces the final year of high school might qualify for federal cost-sharing (Ontario's Grade 13, for example, as well as Grade 12 where it constituted *senior* matriculation) while in others it would not (where the final year of high school was defined as junior matriculation). The situation became even more anomalous when, following the introduction of Quebec's CEGEPs, the federal government agreed to recognize Grade 11 in Quebec secondary schools as "postsecondary" and therefore eligible for cost-sharing.

83. George E. Carter, *The Federal Impact of Financing Higher Education in Canada*. Canberra, Australia: Centre for Research on Federal Financial Relations, The Australian National University (Occasional Paper No. 25), 1982, p. 10.

82. Stephen G. Peitchinis, *Financing Post Secondary Education in Canada*. Report commissioned by the Council of Ministers of Education of Canada, mimeographed, 1971, p. 204.

83. Carter, *The Federal Impact*, p. 9.

84. Peitchinis, *Financing Post Secondary Education*, p. 115.

85. Ibid., p. 150.

86. Ibid., p. 155. Emphasis in the original.

87. Ibid., p. 291.

88. Ibid., pp. 414-15.

89. Ibid., pp. 415-16.

90. CMEC, *Annual Report*, 1972-73, p. 16.

91. Claude R. Clarke, *Coordination of Higher Education in Atlantic Canada*. Unpublished Ph.D. thesis, University of Alberta, 1975, p. 118.

92. Council of Maritime Premiers, *An Outline for the Proposed Maritime Provinces Higher Education Commission*. Charlottetown, December 13, 1972.

93. Cited in Maritime Provinces Higher Education Commission, *First Annual Report, 1974-75*, p. 52.

94. Ibid., p. 53.

95. Maritime Provinces Higher Education Commission, *Second Annual Report, 1975-76*, pp. 105-116.

96. Nova Scotia, Legislative Assembly, *Debates and Proceedings*, November 20, 1974, p. 1355.

97. New Brunswick, Higher Education Commission, *Third Annual Report, 1969-70*, p. 10.

98. Bernard Trotter, *Planning for Planning: Relations Between Universities and Governments, Guidelines to Process*. Ottawa: AUCC, 1974, p. 37.

99. OECD, *Reviews of National Policies for Education: Canada*. Paris, OECD, 1976, p. 102. Emphasis in the original.

100. Ibid., p. 98. Emphasis in the original.

101. The interprovincial task force had prepared a set of five alternative approaches, the preferred one being a transfer wholly on the tax side, with equalization up to the per-capita revenue generated in the wealthiest province. The federal government had countered with the suggestion that the cap be reduced to 7 per cent. See Howard H. Coady, *Towards a Perspective on the Perpetuation of the Canadian Federal System: Federal-Ontario Relations in University Education, 1945-1970*. Unpublished Ph.D. thesis, McMaster University, 1977, p. 368. See also, CMEC, *Annual Report*, 1972-73, pp. 17-18.

102. In the case of Medicare, however, provinces were required to maintain the original objectives, respecting portability, universality, comprehensiveness, and public administration.

103. "Established Program Financing: A proposal regarding the major shared-cost programs in the fields of health and post-secondary education." Statement tabled by the Right Honourable Pierre Elliott Trudeau. In Canada, *Federal-Provincial Conference of First Ministers, June 14-15, 1976*, p. 9.

104. Ibid., pp. 8-9.

105. Ibid., p. 7. Emphasis added.

106. Ibid.

107. CMEC, *Annual Report*, 1976-77, p. 9.

108. Cited in Peter M. Leslie, *Canadian Universities, 1980 and Beyond*, p. iii.

109. AUCC, *Proceedings*, 1977, vol. 2, pp. 34-5.

110. Cited in Ibid., p. 35.

111. Canada, Senate, Special Committee on Science Policy, *A Science Policy for Canada*, volume 2: "Targets and Strategies for the Seventies." Ottawa: Information Canada, 1972, p. 435.

112. Ibid.

6

The Search for New Directions

The search for new directions in public policy was set against a very different backdrop from anything Canada's universities had seen for at least two decades. Prospects of unprecedented growth had given way to projections of decline. Annual increases in provincial government grants, now the principal source of university revenue, were barely keeping up with enrolment and inflation. Stefan Dupré's pithy comment in the 1975-76 annual report of the Ontario Council for University Affairs (OCUA) captured the essence of the new reality facing all of Canada's universities. "The future of the . . . university system," he wrote, "is not what it used to be."

The Uncertain Future

More than anything else it had been the prospect, followed in due course by the reality of exploding enrolment, that had brought Canada's universities so fully within the public sector, and had brought forth such massive increases in public sector support. The prospect of a dramatic decline in enrolment seemed almost certain to await universities and public policy in the 1980s.

This prospect had been spelled out in stark terms by Zoltan Zsigmond of Statistics Canada in 1975. The basis of his analysis was simple and straightforward:

> . . . 18-24-year-olds constitute about 80% of full-time post-secondary enrolment, and the enrolment rate for the age group is about 20%. This rate is not expected to change much until the end of the century. Therefore, post-secondary enrolment should follow the contours of the 18-24 population curves in the next 25 years.[1]

Those contours were indeed dramatic in their import for university enrolment, as can be seen from Chart 2. If the assumed relationship between enrolment and the 18 to 24 age group held, then the prospect was that all of the growth that occurred in full-time enrolment through the 1970s would disappear in the 1980s. The population aged 18 to 24 was projected to peak in 1982 and then drop for the next decade, reaching by 1991 the same number as in 1969. After this, it would increase once again.

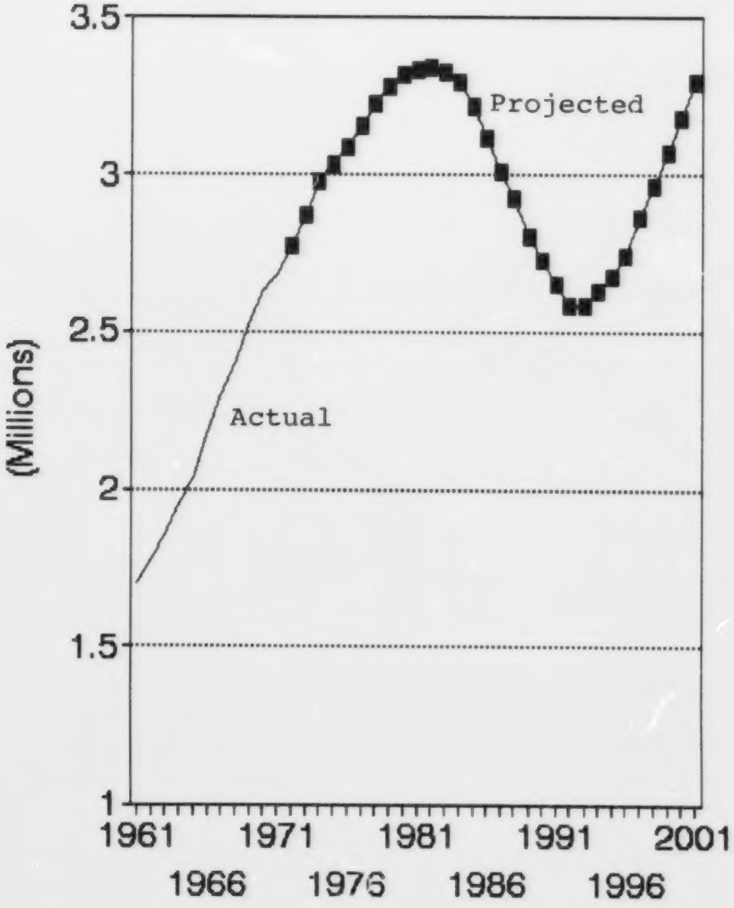
Enrolment had not followed an even path through the 1970s, nor had it increased anything like it had in the 1960s. Full-time enrolment had increased 2.7 times over the 10 years between 1960 and 1970, from 113,864 to 309,469. For the 1970s, an increase of 4.4 per cent in 1971 was followed by the first ever decrease, albeit a marginal one. Enrolment increased again in 1973 and continued to do so until 1977, when it dropped again, as it did also in 1978. By the end of the decade, the total increase was a modest 23.6 per cent, up from 309,469 to 382,617.

Almost all of this increase (86 per cent) was the result of one factor: the increasing participation rate for females. Between 1970 and 1980, female enrolment increased by 58 per cent, while the increase for males was a mere 5 per cent. The upshot was that the proportion of females in the total full-time university enrolment had increased to 45 per cent by 1980, up from 35 per cent in 1970 (and 24 per cent in 1960). As the female participation rate approached parity with its male counterpart, the potential for further growth from this source seemed minimal.

Part-time enrolment was certainly increasing faster than full-time (the actual number of part-time students increased by 57 per cent over the decade), but even this had not been enough to offset the drop in full-time enrolment in 1978, so that even the full-time equivalent enrolment dropped in that year.

There were a few who questioned the inevitability of shrinking enrolment. David Foote, for example, emphasized the importance of considering the entire pool of potential university students rather than

Chart 2
Actual and Projected Population Aged 18 to 24
1961 to 2001



Source: Zoltan Zsigmond, *Population and Enrolment Trends 1961-2001: The Canadian Case.*

only full-time undergraduates aged 18 to 24: "... analyses of the future of Canadian university enrolments which ignore almost one-half of the current student population (that is, full-time students aged 25 years and over, and all part-time students) are bound to lead to erroneous conclusions!"[2]

On the basis of projections derived from this broader perspective, he concluded in 1981 that:

> Overall, **total** university enrolment in Canada can be expected to rise by 6.6 percent over the next 4 years then decline by 9.8 percent over the subsequent 14 years due to demographic developments alone. **A net** loss of 3.2 percent over the next 20 years would appear to be an administratively "manageable" magnitude for most university planners and policy decisions.[3]

At least one thing was certain: the future of university enrolment was very much a matter of concern to public policy. There could be no doubt about the extent to which universities had become dependent on public funding. Table 7 shows the proportionate distribution of university revenue sources from 1967-68 to 1979-80. By 1980, universities derived approximately 82 per cent of their operating revenues from government. Tuition fees accounted for only 11 per cent, and even that level was essentially a matter of public policy rather than institutional decision. It was a far cry from the 1950s, when tuition had accounted for about 30 per cent of revenues and government grants for about 60 per cent.

Government grants increased each year through the 1970s, but only in approximate proportion to enrolment and inflation. Table 8 shows total operating expenditures, as well as expenditures per full-time equivalent (FTE) student. When the latter is discounted for inflation (using the consumer price index), the real increase in funding per student is small indeed: just 6 per cent over the entire decade of the 1970s, with absolute decreases in the last two years.

It was almost as though provincial governments had discovered what Howard Bowen called "the revenue theory of costs." Based on an extensive analysis of American universities and colleges, Bowen concluded that the unit cost of university operations (that is, the cost per student) is not determined by technological factors, nor even by any objective standard of need. Rather, it is determined solely by the revenue available. Moreover, given the academic goals of universities, "there is virtually no limit to the amount of money an institution could spend for seemingly fruitful educational ends."[4]

> Within wide limits, institutions can adjust to whatever amount of money they are able to raise. When resources are increased, they find uses for the new funds, and unit costs go up. When resources are decreased, they express keen regret and they protest, but in the end they accept the inevitable, and unit costs go down.[5]

Table 7
University Operating Income by Source, as a Percentage of Operating Expenditures, 1967-68 to 1979-80

Year	Prov. Grant*	Federal Grant**	Total Gov't Grant	Student Fees	Endowm't. & Misc.***
1967-68	59.7%	11.2%	70.9%	19.3%	9.8%
1968-69	61.7	11.3	73.0	18.1	8.9
1969-70	64.6	10.6	75.2	16.5	8.3
1970-71	66.3	9.9	76.2	15.6	8.2
1971-72	68.5	9.7	78.2	16.5	5.3
1972-73	68.2	9.7	77.9	15.6	6.6
1973-74	69.2	9.7	78.9	15.1	6.0
1974-75	69.7	9.4	79.1	13.8	7.1
1975-76	72.7	8.5	81.2	12.7	6.1
1976-77	74.8	8.4	83.2	12.0	4.8
1977-78	73.5	8.7	82.2	12.0	5.9
1978-79	73.5	9.0	82.5	11.4	6.1
1979-80	72.8	8.8	81.6	11.0	7.4

Notes: * Includes minuscule municipal grants.

** Federal fiscal transfers to the provinces are not included as federal grants to universities but are embodied in provincial grants.

*** Includes any net surplus or deficit.

Sources: Dominion Bureau of Statistics, *Survey of Education Finance*, 1967-68, and Statistics Canada, *Financial Statistics of Education*, 1968-69 to 1979-80.

Governments had seemingly come to similar conclusions, and the decade of the 1980s would witness a highly erratic, but pervasive pattern of reductions in real per student revenues available to universities. The situation was more complicated than that, however. At the heart of the issue was a growing uncertainty about the appropriate contribution of universities to an increasingly technological economy and, perhaps even more significant, a growing certainty that existing instruments of public policy were inadequate in directing universities toward any defined goals. It was this coexistence of uncertain ends and ineffective means which shaped the backdrop to the search for new directions in public policy. And it was against this backdrop that Peter Leslie conducted his study for the Association of Universities and Colleges of Canada (AUCC).

Table 8
University Operating Expenditures, Total and Per FTE Student, 1970-71 to 1979-80

Year	Total Operating Expend. (000s)	% Increase over previous year	Expenditure per FTE Student	Constant $s
1970-71	$1,223,947	12.9%	$3,150	$3,150
1971-72	1,365,727	11.6	3,387	3,291
1972-73	1,433,712	5.0	3,547	3,290
1973-74	1,580,956	10.3	3,745	3,226
1974-75	1,837,964	16.3	4,178	3,244
1975-76	2,175,362	18.4	4,622	3,239
1976-77	2,442,321	12.3	5,070	3,305
1977-78	2,744,530	12.4	5,636	3,403
1978-79	2,969,007	8.2	6,131	3,402
1979-80	3,242,911	9.2	6,581	3,344

Sources: Statistics Canada, *Financial Statistics of Education and Universities: Enrolment and Degrees* (actual titles vary; annual).

The Leslie Study

The stated purpose of the study commissioned by the AUCC in 1976 was to consider alternative approaches to financing universities, "with a view to recommending a firm university position on the matter." The result, submitted four years later, was a comprehensive study of provincial and federal policies, including suggestions and recommendations for change, but it was unable to offer the basis for a firm university position on the matter of financing universities. This was primarily because the principal responsibility for financing universities rests with the provinces, while Leslie's study was addressed to a national association of universities. In the author's judgment: "It would be hazardous if not impertinent—to say nothing of its being impolitic—for a Canada-wide association to be making policy recommendations to provincial governments."[6]

The starting point of Leslie's analysis was the prospect of declining enrolment. He cautioned against assuming an automatic relationship between the size of the 18 to 24 age cohort and university enrolment, but he nonetheless accepted the prevailing wisdom that "... university enrolment is bound to drop in some and conceivably in all provinces ...."[7] In the face of this prospect,

> ... the universities must open a new phase in their dialogue with government by explicitly recognizing some hard realities. Chief among these is that reductions must occur in the number of tenured staff in some institutions and in some disciplines in order to allow for selective growth and development where needed.[8]

The federal government, Leslie argued, should reassess its existing programs with a view to ensuring not only that they serve a clear federal purpose, but also that in doing so they avoid impinging negatively on provincial purposes. In this, he argued strongly for an expanded federal role in support of research, not only to cover indirect costs incurred by universities but also the cost of faculty time released from teaching. He also raised the possibility of an expanded federal role in student assistance, through the Canada Student Loans Program.

Leslie's argument that the federal government should promote specific and explicit national objectives in higher education brought him face to face with the Established Programs Financing (EPF) arrangements. He acknowledged the existence of rumours that the federal government was giving serious consideration to scuttling the whole scheme, and suggested that the universities press for maintenance of the existing arrangement until more appropriate federal programs could be put in place. The AUCC accepted this advice and, in its 1981 brief to the prime minister, added a request that before changes were proposed in the EPF arrangement, a thorough review should be undertaken of government expectations and obligations related to the role of universities, and of the adequacy of current university funding.[9] So much for "a firm university position on the matter"!

The reality of the existing situation was that the most significant federal expenditure ostensibly in support of postsecondary education was, in fact, an unconditional cash grant to the provinces. Therein lay the paradox of EPF.

The Paradox of EPF

When the EPF arrangement was introduced in 1977, the federal government had relied on two assumptions about future provincial behaviour: that provincial expenditures on postsecondary education would increase roughly in proportion to increases in federal transfers, and that a new forum would be created through the Council of Ministers of Education (CMEC), by which the federal government might play an active role in the formulation of postsecondary education policy. Both of these assumptions were quickly to confront a quite different reality.

On the question of federal and provincial shares, the new scheme brought forth a general provincial response not dissimilar from that which attended the 1967 changes: a sudden increase in the value of the federal transfer was offset by reductions in net provincial spending. Peter Leslie calculated that seven of the 10 provinces reduced their expenditures from their own revenue sources between 1978 and 1980.[10]

Hon. Richard Hatfield, then premier of New Brunswick, argued that this was merely a transitional consequence of the new arrangement and was entirely to be expected, demonstrating only that the whole scheme was working as both parties had agreed it should. On the one hand, he argued, the transitional payments designed to ensure that the yield from the transferred tax room was at least equal to the cash payment were disproportionately high in the initial years, while a stagnant economy failed to generate the growth in provincial tax yields that was expected gradually to obviate the need for the transitional payments. That very same economic stagnation, on the other hand, put pressure on government revenues and expenditures generally, forcing the provinces to exercise greater restraint on spending, including spending on universities. In Premier Hatfield's words:

> You can see what happened. Both the technical adjustments and higher transition payments have had the effect of raising the total federal cash payments to the provinces well above their natural growth rate. Meanwhile, the provinces haven't spent at the same rate, **because they have exercised restraint, as might well be expected when overall revenues are growing slowly**. The result is that the federal cash contribution has risen as a percentage of total provincial spending on the Established Programs since 1977.[11]

For its part, the federal government, under at least equal fiscal pressure, could not be blamed for seeing this as the purposeful diversion of federal transfers to other provincial purposes. This possibility was clearly envisaged in the original design of EPF, and the federal government had explicitly accepted that any savings generated by reduced provincial spending would accrue entirely to the provinces. Either federal authorities did not really mean this, or they did not expect that it would actually occur. The federal position was stated clearly, if awkwardly, by two academics currently with the Ministry of State for Social Development:

> The provinces . . . read more into the proposed unconditionability of the grants than perhaps the federal government intended. Where the federal government intended a circumscribed unconditionality, if one can use such a cumbersome phrase, it appears the provinces saw the new program as being more of a format for making federal contributions directly to their Consolidated Revenue Funds.[12]

Despite the tortured logic underpinning their position, federal authorities could nonetheless be forgiven if they wondered about the continuing wisdom of the arrangement they had so recently negotiated with the provinces. But what was even more galling was the refusal of the provinces to make any significant concessions in relation to the second of the two federal assumptions.

The CMEC quite simply, and on occasion rudely, rebuffed any and every attempt by the Secretary of State to transform that body into a federal-provincial forum for the consideration of national post-secondary policy issues. Federal ministers and officials were invited to meetings of the CMEC, but only to discuss specific items and only for the duration of those specific discussions. It may well be, as Stefan Dupré has suggested, that the federal government was misguided in ever seeking an entrée into this interprovincial club of professional educationists,[13] but the fact was that failure in the attempt wrote finis to the assumption that EPF might yet serve as an instrument of federal policy in relation to postsecondary education.

What, then, were the alternatives open to the federal government? In the face of its own budgetary pressures, they came down to two: to accept that the EPF transfer served no explicit federal purpose, in which case it would become a tantalizing target for expenditure restraint measures, or somehow to inject a federal purpose back into the transfer. The debate over which alternative to pursue characterized the federal policy process almost from the inception of EPF. In this, there was a close and obvious parallel between the two alternatives and the portfolio interests of the two departments principally involved, Finance and Secretary of State. At the same time, the participation of other departments and ministries, along with task forces, commissions, committees and advisers at times gave the impression of federal policymakers galloping off in all directions.

The first indication of which choice the federal government would make came as early as the summer of 1978, when Prime Minister Trudeau announced a program of expenditure cuts, a substantial portion of which were to come from transfer payments to the provinces, including EPF.[14] The EPF legislation, however, contained no terminal date and, moreover, required that three year's notice be given of any proposed changes (the federal government had also given a commitment not to serve such notice during the first two years, effectively ensuring that the arrangements would remain unchanged for at least five years). As a result, the federal government could only renege on its commitment or invite the provinces voluntarily to accept a reduction in transfers. The federal government hesitated in pursuing the first option while the provinces, not surprisingly, declined the invitation to pursue the second.

A year later, in his October 1980 budget, the federal minister of finance, Hon. Alan MacEachen, announced that: "I have already indicated to my provincial colleagues that we will be examining these [federal-provincial] programs closely as they come up for renewal, and we expect to achieve significant savings here."[15]

Then, in February, the government took an unusual step, establishing several parliamentary task forces to examine and advise on specific policy issues. One of these, the Parliamentary Task Force on Federal-Provincial Fiscal Arrangements (chaired by Hon. Herb Breau), was given a broad mandate to examine all aspects of federal-provincial fiscal relations, but was specifically instructed to shape its recommendations "within the context of the government's expenditure plan as set out in the October 18, 1980 budget."[16] The task force almost immediately rejected that instruction and proceeded to focus its attention on "... the major questions of appropriate structure and institutional design in intergovernmental fiscal arrangements."[17]

Its report, released in August 1981, contained a remarkably thorough review of federal-provincial fiscal relations. It found much to praise in the EPF arrangement, and declared that "EPF has been successful in attaining its fiscal goals."[18] Its one suggestion for improving the scheme was to make the payments equal on a per capita basis for all provinces, and thus eliminate the existing advantage held by the wealthiest provinces. The report was less sanguine about the program goals implicit in EPF, arguing in favour of "... some form of indirect accountability for intergovernmental transfers."[19] "Our simple principle," the task force concluded, "is that **the responsible federal ministers must answer in Parliament for the disposition and use of funds transferred to provincial governments.**"[20]

The task force rejected as unacceptable any attempt by the federal government to legislate national standards for postsecondary education, and proposed only that the two components of EPF—health and postsecondary education—be separated and that the funds transferred to the provinces "... be considered earmarked for each program area and not meant for other purposes."[21] On this basis, the secretary of state should then report annually to parliament on the effectiveness of the postsecondary transfer "in moving toward the country's economic and other goals ...."[22]

A competing view was presented at almost the same time, and was given added weight by virtue of its sponsorship by not one but two task forces. The first of these, designated the Task Force on Labour Market Development, was established by the Minister of Employment and Immigration, Hon. Lloyd Axworthy, and was headed by Dr. David Dodge, then a Queen's economist. True to his profession, Dodge's starting point was not a projection of enrolment, or demand for university and college places, but rather a projection of economic conditions and labour market requirements. He concluded that major changes would be required, with the burden of change falling increasingly on workers already in the labour force, as opposed to new entrants.[23]

From this, Dodge argued that public spending on postsecondary education was adequate, and might even be reduced to free up resources for other purposes. Within the postsecondary sector, a significant reallocation of resources would be required, generally away from universities and in favour of highly skilled training and, within universities, away from general arts, education and public administration, and in favour of science, engineering and business administration. Finally, the report suggested a number of means by which universities and colleges might be induced to become more responsive to labour market conditions. These included greater reliance on fees (with corresponding improvements in student aid), payment by federal granting councils of the indirect costs of sponsored research, "thrust funding" to support new program initiatives, and greater use and government support of university-industry cooperative programs.[24]

This policy direction, if not all of the specific recommendations, was strongly endorsed by a second parliamentary task force, this one concerned with employment opportunities for the 1980s and chaired by Hon. Warren Allmand. It concluded that the federal government should continue to support postsecondary education, but: "... should attempt to reallocate resources towards programs offering the greatest employment opportunities in the '80s."[25]

The federal response to all of these proposals was embodied in a policy statement released with the November 1981 budget. The argument of the Dodge report was clearly evident in the conclusion that: "existing federal-provincial arrangements for the financing of post-secondary education are not consistent with the country's present or future needs."[26]

From that conclusion, the federal government proposed that a new fiscal arrangement be worked out with the provinces for what it now chose to call "post-secondary education and human resources development." The proposal to negotiate a new deal came with a clear warning about the consequences of failure: "... should no satisfactory progress be made by March 31, 1983, the government could [sic] freeze future per capita EPF cash transfers for post-secondary education at the 1982-83 level."[27]

Pending the new arrangement, and taking up on the Breau task force proposal, the federal government proposed to modify the EPF formula to ensure that all provinces received equal per capita transfers. Finally, the finance minister announced the unilateral federal decision to terminate altogether the portion of the EPF transfer compensating for the 1972 revenue guarantee (the equivalent of two personal income tax points). It was estimated that this would save the federal treasury over $5.3 billion between 1982 and 1987.[28]

The two substantive budget proposals of November 1981 were duly introduced in legislative form in March 1982 and passed a month later (the speed is accounted for primarily by an all-party agreement to expedite renewal of the equalization program, due to expire at the end of March 1982, and forming part of the same legislative package). Despite vigorous provincial protests, the revenue guarantee provision was eliminated.[29] As well, total transfers were put on an equal per capita basis in a manner that greatly simplified the formula itself, obviating the need for calculating "transitional" payments (which, by 1982, had become a permanent feature of the scheme). Henceforth, the cash transferred to each province would simply be the per capita entitlement ($212.64, indexed annually since 1975-76 by increases in the gross national product (GNP)), less the equalized value of the transferred tax room. Only Alberta actually lost revenue under this provision, but it did serve to strengthen the federal argument that the imputed provincial yield (and associated equalization) of the tax room transferred in 1967 and 1977 should be considered part of the annual federal fiscal transfer under EPF.

That legislation was quickly followed in 1983 by the announcement that the EPF transfer for postsecondary education, but not for health, would be limited by the "6 & 5" restraint program for 1983-84 and 1984-85.[30] This required separating the two components and, when legislation was introduced in 1984, it applied the original 1975-76 split of 32.1 per cent for postsecondary education and 67.9 per cent for health. Henceforth, the imputed provincial revenues from the transferred tax room would be divided into the two program categories in these proportions. Artificial as this device surely was, the federal government could now argue that a specific portion of provincial revenues derived from their own taxes constituted, in fact, an annual grant from the federal government specifically in support of postsecondary education.

The view that provincial governments were diverting these transfers to other purposes, and in the process "underfunding" the universities, had by now been generally accepted on both sides of the House of Commons. For its part the government appointed Dr. A.W. Johnson as a one-man commission to examine the federal role in postsecondary education and research and to suggest alternatives to EPF. For their part the opposition introduced a series of amendments to the 1984 legislation, attempting to reimpose conditions on the transfers. This resulted in a compromise amendment, agreed to by all parties and passed unanimously, requiring the Secretary of State to report annually to Parliament specifying: "(a) cash contributions and total equalized tax transfers in respect of the post-secondary education financing program applicable to each province; [and] (b) expenditures by each province on post-secondary education."[31]

The implications of this annual reporting could hardly have been clearer. The clear suggestion was that the provincial governments were morally, if not yet legally, obliged to spend the federal transfers, including the proceeds of the transferred tax room, on postsecondary education. But the reduction in those transfers, both by removal of the revenue guarantee and reduction of annual increases under the "6 & 5" restraint program, suggested that if EPF was viewed as a quasi-conditional grant, it was one in which the relationship between provincial spending and federal transfers was being reversed. Since provincial spending was not keeping pace with federal transfers, the latter were being reduced in line with the former. Thus did the paradox of EPF continue. Provincial policy, meanwhile, was characterized by more than expenditure restraint. Four principal themes were emerging, within a context that was at best very uncertain.

Themes of Provincial Policy

The uncertain context of provincial policy was marked on the one hand by the totally unexpected behaviour of enrolment through the 1980s. In contrast to the projected pattern of very modest growth, followed after about 1982 by decline, enrolment actually continued to grow.

Table 9 shows the persistence of that growth, particularly in full-time enrolment. Over the decade of the 1980s, full-time enrolment increased by fully 41 per cent, with increases occurring in every year. The immediate explanation is to be found in a rising participation rate. This was the case for both males and females, but especially the latter, with full-time enrolment of females increasing at more than twice the rate of males (59 per cent compared with 27 per cent). The upshot was that by 1989-90, females accounted for just over half (50.2 per cent) of the total full-time university enrolment in Canada. Female part-time enrolment had surpassed that of males as early as 1974-75, and by 1989-90 females accounted for 62 per cent of the total part-time enrolment.

Table 9
Full-time and Part-time Enrolment,
1979-80 to 1989-90

Year	Full-time	Increase	Part-time	Increase
1979-80	**363,456**		**227,330**	
1980-81	**382,617**	5.3%	**245,128**	7.8%
1981-82	**401,911**	5.0	**251,875**	2.8
1982-83	**426,389**	6.1	**266,386**	5.8
1983-84	**450,508**	5.7	**278,709**	4.6
1984-85	**461,192**	2.4	**277,826**	-0.3
1985-86	**467,282**	1.3	**284,944**	2.6
1986-87	**475,414**	1.7	**287,500**	0.9
1987-88	**486,062**	2.2	**294,504**	2.4
1988-89	**500,750**	3.0	**298,310**	1.3
1989-90	**513,900**	2.6	**302,310**	1.3

Sources: 1979-80 to 1987-88: Statistics Canada, *Universities: Enrolment and Degrees* (81-204). 1988-89 and 1989-90: Statistics Canada, *Advance Statistics of Education* (81-220).

The initial years of this growth in enrolment were set against a serious economic recession which weakened provincial revenue bases and consequently put increased pressure on expenditures. Both the pressure and the consequent governmental responses varied from province to province, with the result that year-to-year changes show no clear pattern at all. Over time, however, the pattern is quite clear. While provincial grants, on average, kept pace with inflation, they did not match the growth in enrolment. In effect, the universities themselves were left to absorb almost all of this unexpected growth. Moreover, provincial spending on universities (including both operating grants and student aid) fell consistently in terms of relative priorities, dropping from 5 per cent of gross general expenditures in 1976-77 to 3.7 per cent in 1986-87.[32]

It was within the context of these two phenomena—growing demand for university places coupled with fiscal constraint—that the four themes of provincial policy unfolded. First, provinces turned with new energy, but no marked success, to the task of coordinating and rationalizing university programs. Second, the role of intermediary or buffer agencies was subjected to critical review. Third, increased reliance was placed on target or earmarked funding. Fourth, growing provincial policy interest in university research gave birth to the concept of centres of excellence. The first of these themes was very much the legacy of the limited success of earlier efforts to coordinate provincial postsecondary systems. Under the prevailing circumstances, it is not surprising that the elusive goal of coordination was turned increasingly to one of institutional rationalization.

Coordination and Rationalization. In no province had universities experienced such rapid and far-reaching changes as in Quebec. These changes had been at the very heart of the quiet revolution, and in consequence the universities, and the francophone universities in particular, had taken on a special significance as instruments of cultural development and national self-determination. It was not surprising, then, that the election of a Parti Québécois government in November 1976 was followed almost immediately by the announcement that a commission would be established on the future of Quebec's universities.

The Commission d'étude sur les universités was formally launched in June 1977, jointly sponsored by the minister of education, Hon. Jacques-Yvan Morin, and the minister of state for cultural development, Hon. Camille Laurin, and chaired by Pierre Angers who had been, amongst many other roles, the first chairperson of the Commission de l'enseignement supérieur of the Conseil supérieur de l'education. The Angers commission was given broad terms of reference, but instructed to focus its enquiry on four themes: indicators for the future, the relationship between universities and Quebec society, the organization of the university system, and the training of teachers. Each of the last three themes was assigned to a study group, while the overall coordination of the project, as well as the first theme, was the responsibility of a coordinating committee. The commission had 24 members, half of whom were university professors. The project was initially to have been completed within 18 months, but it was almost two years before the commission report was published, with each committee reporting separately.

The report of the coordinating committee was very positive, even optimistic, in tone. It criticized the government for curtailing expenditures on universities and, while it recognized the need for coordination, it warned of the dangers of excessive bureaucracy and generally applauded the decentralized character of the system as it had evolved.

> The Québec university system to a large extent meets the requirements that we have explained. In the future it will be necessary to protect these resources through showing particular concern for better planning among institutions and greater mutual respect for each other's traits and 'peculiarities'.[33]

The committee studying the organization of the university system, by contrast, was highly critical of the existing structure, concluding early on that: "the costly practices of exaggerated competition in the Québec university network are incompatible with public financing of universities."[34]

After reviewing the experience of 10 years of effort towards planning and coordination, the committee observed that: "the results obtained do not always seem proportionate to the investment in human energy, time and money."[35]

The committee's general conclusions were far-reaching in their implications for both public policy and the universities: "The committee . . . judged that they had to opt for **greater coordination**, while preserving not autonomy but what it is supposed to serve, namely **flexibility, pluralism, innovation, adaptability**, etc."[36]

And with that, they proposed the establishment of a separate provincial minister and department of universities, with adequate executive authority to coordinate and consolidate the teaching, research, and support services of the several universities and in the process create "a **real Québec university network**." Moreover, the committee proposed that a comprehensive "Loi des universités" be enacted, incorporating individual charters and specifying the rights and responsibilities of universities in relation to the provincial government. The Conseil des universités would be retained, but as a purely advisory body, while the Commission de l'enseignement supérieur of the Conseil supérieur de l'éducation would be abolished. Within this highly centralized institutional framework, the committee saw little need for the system-within-a-system represented by the Université du Québec. They proposed the immediate separation of its most mature component, the Université du Québec à Montréal, with the others moving gradually toward greater autonomy and the head office being reduced in function to that of a general secretariat and, perhaps, eventually being abolished.[37]

It was a bold proposal for a radical centralization of the Quebec university system. It was also formulated within the nationalist context of the times. The latter was overtaken, temporarily, by the unsuccessful 1980 referendum on sovereignty-association. And with that, the second, post-referendum mandate of the Parti Québécois was a very different one, promising prudent and effective government and faced with both a general recession and the fiscal pressures resulting from previous, liberal spending. Under the circumstances, radical reform gave way to fiscal restraint and even absolute cutbacks.

In February 1981 Dr. Camille Laurin, by then the minister of education, made a major policy statement in which he underlined the end of the period of growth and the necessity of learning to manage universities in circumstances of austerity and even retrenchment.[38] Universities, he said, would have to re-evaluate their activities and face up to difficult choices, cutting units or programs and rationalizing responsibilities among institutions. There must be a heightened sense of a provincial university **system**. But Laurin rejected the highly centralizing recommendations of the Angers commission. He maintained that it was not the proper function of government to define the tasks of the universities, nor to involve itself in their academic administration. Its proper role was exercised through the level and form of financial support and, in this regard, he announced that a new funding mechanism would be developed. Laurin also rejected the proposed dismantling of the Université du Québec, although he expressed some interest in the proposal from the Université du Québec à Montréal that its more important role was in coordination with the other three universities in metropolitan Montreal.

Laurin's warning of fiscal restraint was given forceful substance when the level of university funding for 1981-82 was announced. With inflation running at about 12 per cent, and with the universities still operating under the government-inspired salary policy (the so-called Parizeau formula) that would yield increases of around 15 per cent, operating grants were increased by only 6.9 per cent. The result was a rash of university deficits, initially expected to total at least $60 million across the provincial system.[39] By year end, the deficits had turned into a more modest $17 million, but at the same time the government announced its program of budget compression. Initial indications were that $40 million would be withdrawn in 1982-83, the first instalment in an expenditure reduction program that would remove $180 million from the university system by 1985. A second part of the program was aimed directly at public sector salaries. Salary agreements were extended by legislation to March 1983, and rolled back by almost 20 per cent.

The general budgetary compression turned out to be less severe than the minister had intimated, but it was severe nonetheless. Indeed, the Conseil des universités commenced its annual report for 1982-83 with "... un véritable cri d'alarme," calling upon the government to specify more precisely its policy objectives and priorities, if funding adequate to maintain established university institutions and programs was not to be forthcoming.[40] In that year $12.7 million was withdrawn from the system. It would be followed by a cut of $19.8 million in 1983-84, $20.7 million more in 1984-85, $3.6 million in 1985-86, and $20.6 million in 1986-87, for a total of $77.4 million over five years.[41]

The method of administering the compression was interesting. Still using the so-called historical method of calculating operating grants, the government simply reduced each university's approved expenditure base proportionate to the total amount of each year's compression before adding increments for inflation, salary progression, and enrolment growth. There was an element of sleight of hand in this, since the same effect would have been obtained simply by reducing the rates of indexation. Doing it this way did highlight both the policy of compression and the amounts being withdrawn.

Although the immediate circumstances were very different, the universities of Ontario also experienced budgetary compression, albeit spread over a longer period of time. And as early as 1974 the OCUA had laid the groundwork for its subsequent concern by attaching precise dollar values to a set of explicit provincial objectives and comparing the results, unfavourably, with the current level of funding. By 1979 the situation had not only deteriorated further, but announced government intentions of further expenditure restraint aimed at combating its own operating deficits promised worse to come. The OCUA concluded that the Ontario university system "now stands at the brink of serious trouble": "the current financial situation and the funding outlook for the universities indicates a future of precipitous decline and turbulence as universities grapple with immense resource allocation problems."[42]

Matters came to something of a head in 1980. On the one hand, the OCUA came out forcefully in favour of program rationalization within and among the 15 universities:

> It is of paramount importance, particularly in the context of financial constraint and enrolment decline, to prevent and eliminate undesirable duplication in order to protect existing strong programs, to preserve opportunities for innovation, and to ensure that resources be effectively used and available in areas of need.[43]

System rationalization, in the view of the council, could best be achieved through more extensive sharing of information and plans at the level of undergraduate programming, and through a thoroughgoing process of institutional role definition in relation to graduate programs. The council was firm in its view that such planning would have to be coordinated, and was consistent in its preference that the coordinating role be assumed by the Council of Ontario Universities (COU). This preference was offered with a caveat and a warning:

> Council recognizes the difficulty of a voluntary association of universities assuming the authority for program planning. However, time is short and unless there is clear evidence that COU is willing and able to accept this responsibility, the authority will have to reside elsewhere.[44]

Meanwhile, discussions between the provincial cabinet and university presidents had set another process in motion, culminating in the appointment in November 1980 of the Committee on the Future Role of Universities in Ontario. This committee, chaired by the deputy minister of colleges and universities, issued an interim report in March 1981, and submitted its final report in July. The interim report set out a comprehensive statement of the established objectives of Ontario's university system, as developed by the OCUA, and then considered a set of funding scenarios that might occur over the decade of the 1980s. The most optimistic scenario incorporated annual increases in operating grants sufficient to offset the costs of inflation, to cover the costs of faculty career progress, to discount fully any decrease in enrolment, and to provide an additional $25 million annually for replacement of equipment and furniture. The least optimistic scenario involved annual funding increases at 4 per cent below inflation.

The committee concluded that its most optimistic funding scenario would be required if the full range of established objectives was to remain. It was quite blunt as to the consequences of a situation where funding levels failed even to match inflation: "the objectives . . . cannot be met; and quality can be salvaged only through increasingly drastic measures whose outcome is a commensurately inaccessible, elite and small Ontario university system."[45]

The committee was even less sanguine than the OCUA about the possibility of the COU coordinating a process of program rationalization, citing the inherent limitations of any voluntary association of autonomous institutions: "It cannot easily adopt policies that are judged contrary to the interests of any of its members; and if it does adopt such policies, it cannot enforce them."[46]

Under reasonable levels of funding, the committee preferred a strengthened OCUA to any alternative, but concluded with a stark warning of the consequences of its most pessimistic funding scenario ". . . it is unlikely that any degree of incremental change, including direct ministerial control, would suffice. At such levels of funding, legislative intervention—whether to effect institutional closure or similar serious measures—could not be avoided."[47]

These assumptions and arguments were carried forward in the committee's final report. It argued throughout that funding in line with its most optimistic scenario was essential if the established objectives were to be met through the 1980s, and it concluded that existing institutions and structures were adequate to manage the system under such circumstances. But the report was also much more explicit about the implications of funding at lower levels. In fact, it described the outlines of a massive restructuring of the Ontario university system: "Ontario would have one comprehensive university . . . , not more than four full-service universities . . . [and] four or five special-purpose institutions . . . . Of the remaining institutions, some may have to be closed, and the others . . . restructured."[48]

The committee had presented two starkly contrasting courses for the development of public policy through the 1980s. Perhaps not surprisingly, the government accepted neither. In its search for a middle ground, it called for another enquiry, this one styled the Commission on the Future Development of the Universities of Ontario. Its establishment was announced in December 1983, and it was to be headed by Edmund C. Bovey, a retired business executive (the other two members were J. Fraser Mustard, a former vice-president of McMaster and currently president of the Canadian Institute for Advanced Research, and Ronald L. Watts, who had just completed his second term as principal of Queen's).

The Bovey commission was given elaborate and specific terms of reference. Its overriding task was:

> ... to present to the Government a plan of action to better enable the universities of Ontario to adjust to changing social and economic conditions. The Commission should proceed on the basis that annual increases to the real public resources provided to the universities will reflect the desire to protect the integrity of the universities, to strengthen their ability to contribute to the intellectual, economic, social and cultural foundations of society, as well as to reflect the Government's policy of fiscal restraint and prudent management of public funds.[49]

It was not to recommend reducing the number of universities, but rather to propose "different and distinctive roles for the universities of Ontario." In addition, it was to review the issue of accessibility, examine the method of distributing provincial operating grants, and assess the role of the OCUA as a mechanism for regulation, coordination, and the provision of advice.[50] The commission completed its task in short order, issuing a statement of "issues and alternatives" with supporting background data in June and submitting its final report within a year of its appointment, in December 1984.

The commission chose not to prescribe distinctive roles, suggesting instead that differentiation be left to the forces of institutional competition:

> ... we reject the notion that universities should be formally designated by a central body as to their type, or placed in rigid categories. Emphasis should rather be placed upon a competitive system within which institutions are rewarded for the distinctive functions they perform and the quality of their activities and in addition are provided with the capacity to be flexible and innovative.[51]

To create this capacity for flexibility and innovation, while respecting the government's explicit commitment to expenditure restraint, the commission proposed to sacrifice a measure of accessibility in the short run with substantially higher tuition fees in the longer run. The short run objective would be accomplished by further discounting the enrolment sensitivity of the funding formula, allowing universities to reduce enrolment without a corresponding reduction in provincial funding, thereby freeing resources for improvements in quality and distinctive initiatives. Not all universities would have the same degree of flexibility, however. Here, the commission chose to accentuate what it considered to be the principal mark of differentiation already well established within the Ontario system, the differing degrees of research intensiveness. The greater the university's commitment to research, the wider would be its "corridor" of flexibility.[52] Further improvements would result from allowing individual universities greater flexibility in setting tuition levels, with a view to raising revenue for essential maintenance, renovations and alterations.

In the one recommendation that required additional provincial expenditures, the commission proposed a "renewal and adjustment fund" that would provide bridge financing to assist in the recruitment of young scholars, to cover the incremental costs attendant upon the elimination of mandatory retirement, and to facilitate program changes involving heavy start-up costs or faculty redundancy.

For the longer term, the commission proposed to restore accessibility, while further enhancing quality and differentiation, by means of substantial increases in tuition fees coupled with an income-based contingent repayment loan plan.[53] The proposed fee increases were not to be applied uniformly, however. Rather, Bovey proposed that fees reflect the relative cost of programs, with much higher fees for the most expensive professional programs (the fee for clinical health science programs, for example, would be three times that for undergraduate arts and science).

Shortly after the report was released, Hon. William Davis resigned as premier and his Progressive Conservative successor Hon. Frank Miller, called an election. The upshot was the formation of a minority Liberal government under Hon. David Peterson, with support from the New Democratic Party. The new government quickly rejected both the idea of reducing enrolment and of increasing fees, thereby tearing a rather substantial hole in the Bovey commission's sail.

Nova Scotia, meanwhile, had for the most part continued in its decentralizing ways. The struggling Collège Sainte-Anne had been given an independent lease on life in 1977 when provincial legislation reorganized its lay board and designated it the Université Sainte-Anne. Then, in 1980 the Nova Scotia Technical College, left in a state of limbo when the proposed amalgamation with Dalhousie was abandoned by the government in 1974-75, was elevated to the status of the Technical University of Nova Scotia. In the same year the Nova Scotia Agricultural College was given degree-granting powers, which it chose to exercise in affiliation with Dalhousie. And in 1982 the

College of Cape Breton became the University College of Cape Breton, with its own authority to grant degrees.

Nova Scotia did eliminate one degree-granting institution. The Atlantic Institute of Education (AIE) had been established in Halifax in 1969, and was intended to be a regional institution for research and graduate study, operating in cooperation with the established universities. It had never obtained the support of the other provinces, however, and in a mid-year decision that was part of a proposed cut of $4.5 million from the previously announced level of university funding,[54] the government announced in August 1982 that the AIE would be closed. This was actually done in relatively quick order and without great difficulty. The graduate programs were temporarily transferred to Dalhousie, along with some staff members, but no additional students were admitted and the programs simply died with the last graduates. Employment contracts were terminated with generous severance arrangements. This still left Nova Scotia with 12 degree-granting institutions, seven of them in Halifax (in 1989 the Nova Scotia Teachers' College in Truro would become the thirteenth, and would use its newly acquired right to grant degrees to negotiate an affiliation arrangement with Mount St. Vincent University leading to a joint B.Ed.).

Nova Scotia's commitment to regional coordination, under the aegis of the Maritime Provinces Higher Education Commission (MPHEC), continued to be at best lukewarm. The MPHEC faced a doubly difficult task. On the one hand, it was to advise on the distribution of grants to 22 institutions, including 15 universities. On the other hand, it also had to recommend the apportionment of these grants among three provincial governments. Moreover, it inherited substantially different levels of per student funding, with some of Nova Scotia's universities well below the regional average.

The commission tried initially to achieve two very ambitious goals at once: to bring institutional support up or down to a common regional average, and to allocate the costs among the three provinces on a formula basis. Interestingly, the first goal was to be promoted primarily through discretionary grants. Under the 1976-77 arrangement, 30 per cent of available funds were allocated on the basis of weighted enrolment; the rest was determined: "by considering several factors, including . . . enrolment . . . , institutional characteristics, and historical patterns of funding . . . ."[55] The second goal yielded agreement among the three premiers in 1977 that for a trial period at least, the cost of university grants would be apportioned among the three provinces on the basis of population (adjusted for differing participation rates).[56]

The MPHEC was almost immediately frustrated on both fronts. University presidents objected to any levelling-down provision, while the premiers agreed to provide less than half the recommended increase in funds (5 per cent instead of 11.4 per cent). Frustrated but undaunted, the commission tried another approach to equalization.

Taking its cue from the new EPF arrangements, which tied federal transfers to the growth in GNP, the MPHEC proposed a similar formula for determining increases in provincial base funding, and recommended an increase of 11 per cent for 1978-79. It then proposed creating a two-part "equalization" fund, based entirely on the principle of levelling up. A fund of 3 per cent of base funding was recommended, half of it intended "... to improve the position of those institutions within the region receiving a relatively low level of support," and the other half "... to improve the position of the region's institutions as a whole, relative to those in other parts of the country."[57] Both equalization projects were designed to be accomplished over a period of five years.

This was too rich for the premiers, however. Base funding was increased by 7 per cent instead of 11 per cent, no funds were provided for "national" equalization, and only half the amount recommended for "regional" equalization was approved, effectively extending the project over a 10-year period (all of the funds for regional equalization were allocated to Nova Scotian institutions).

Notwithstanding the premiers' fiscal restraint, 1978-79 marked the high point for regional coordination under the MPHEC. Three changes put in place for 1979-80 collectively marked a major retreat. For one thing, a new formula for the allocation of grants to universities, worked out between the MPHEC and the Association of Atlantic Universities (AAU), reduced the scope for discretion. The new formula was still calculated in two components, with the enrolment-driven portion reduced from 30 per cent to 25 per cent of the total, but the remainder was now to be a flat grant, representing for all institutions the same percentage increase over the previous year.[58] In a second change, the premiers abandoned the regional formula for allocating costs among the provinces. Henceforth, each province would be responsible for its own universities, transferring funds to the other two provinces for students in programs not available in their home province. It was the third change, contingent upon the second, that was perhaps the most telling. For the first time one province, Nova Scotia, abandoned its commitment to joint decision making and set its own level of university support, substantially below the rate of increase agreed to by the others.

The consequence of these three changes seemed destined to transform the MPHEC from an agent of regional coordination into a common intermediary agency for three provincial governments.

It was against this backdrop of provincial decentralization and resistance to regional coordination that Nova Scotia appointed its Royal Commission on Post-Secondary Education in February 1983. Ironically, but perhaps not surprisingly, the commission's 1985 report called for a radical dose of central planning and control at the provincial level.[59]

The commission, chaired by a Truro, N.S. businessman, Rod MacLennan, concluded that universities would have to cope with two principal conditions for at least the remainder of the century: stable or declining enrolment, and continued restraint in government funding. If a general slide into mediocrity were to be avoided, these conditions would require that general budget compression give way to a combination of increased funding from other sources and selective program retrenchment. The latter, in turn, would require a broader perspective than is available to individual institutions, a perspective in which "... the universities of Nova Scotia ... [are] regarded as a system." Experience had demonstrated that voluntary cooperation was not up to this task, and the commission offered two alternative approaches, a multi-campus University of Nova Scotia or a revamped intermediary agency with executive powers.

As for increased resources, the MacLennan commission, as with Bovey in Ontario, opted for increased tuition fees. In fact, the two reports came to remarkably similar conclusions. MacLennan proposed that fees should be increased gradually by about 70 per cent (from an average of $1,275 to $2,175, in 1983-84 dollars) to the point where they constituted approximately 50 per cent of instructional costs. The commission estimated that instruction represented about 60 per cent of total operating expenditures, so fees would be raised to about 30 per cent of total expenditures. Given the higher level of expenditures on research in Ontario, this is probably quite close to the 25 per cent level recommended by Bovey. MacLennan also joined Bovey in proposing an increase in student support, also incorporating the income-contingent repayment principle.

The MacLennan commission also took hold of a uniquely Nova Scotia problem. Nova Scotia was in the peculiar position of putting forth the third highest provincial effort in support of universities in terms of grants per capita, while ending up with the third lowest level of support in terms of grants per student.[60] The explanation is to be found primarily in the disproportionate number of students from other Canadian provinces studying in Nova Scotia.

The solution proposed by the Maclennan commission was an interesting one. It rested on the notion of a "fair" provincial share of university costs. This notion was then developed in two respects. First, Nova Scotia should provide its fair share of the per student costs of its universities, which the commission pegged at the Canadian average. In this, it urged the province to pass the full EPF transfers through to the universities. Second, Nova Scotia should only be expected to pay for its fair share of the out-of-province students, which the commission suggested was the same number of students studying in Nova Scotia as there were Nova Scotian students studying in other provinces. To reduce the excessive current burden on Nova Scotia, the commission suggested that those provinces with a net out-migration of students to Nova Scotia should pay the extra costs. If they declined, then Nova Scotia should limit the influx of students from other provinces to redress the balance.

The commission had a similar concept in the case of foreign students, with the federal government paying for any excess over a province's fair share which, in this case, would be the same proportion of all foreign students as of the total population.[61] In this case, however, it argued that foreign students, except those from the 25 poorest nations, should pay the full costs of their instruction. Nothing has yet come of these proposals.

It is not surprising that system rationalization would be a major factor in the search for new directions in Quebec, Ontario and Nova Scotia. After all, these three provinces contain two thirds of all the universities in Canada. It was in British Columbia, however, where the pressure was the strongest. In this case, it is far from clear whether and to what extent the government's objective was program rationalization, to be forced by funding reductions, or whether the objective was expenditure reduction, for which the rhetoric of rationalization provided a political focus and justification.

British Columbia was particularly hard hit by the economic recession of the early 1980s, and in October 1982, mid-way through the 1982-83 academic year, the government removed $12 million (3.8 per cent) from the grants previously announced for the three universities. Then in July 1983, after winning re-election in May, the Social Credit government of Hon. William Bennett introduced its infamous restraint budget, along with some 34 pieces of proposed legislation. It was one of these, Bill 3 (the Public Sector Restraint Act), which aroused almost universal anger in the university community.[62] Bill 3 appeared to take direct aim at the very foundations of university appointments with tenure. As originally introduced, the bill gave blanket authority to public sector employers, including universities, to dismiss employees without cause. As subsequently passed, it incorporated more specific criteria but still appeared to cast a very wide net. Insufficient funds, for example, would constitute adequate grounds for dismissal.[63] Despite the controversy, however, it was not at all clear whether the legislation actually changed anything. After all, the decision-making processes within the universities had not been changed, and all three presidents made clear their view that the legislation was not necessary and would not be used.[64]

Meanwhile, less public attention was paid to the budget itself, which provided no increase at all in grants to universities, despite the previous base cut of $12 million. The universities responded by increasing tuition fees, freezing appointments, and holding the line on salaries.

In January 1984, the government announced the decision to close the David Thompson University Centre in Nelson, B.C., effective April 30. After the Atlantic Institute of Education in Halifax, this was the second university-level institution to be closed for financial reasons, although it could also be argued that it was the second time an institution had been closed in Nelson. Notre Dame University had never established itself as financially viable and, after a series of commissions of inquiry failed to produce an acceptable alternative, and after its physical assets were purchased by the province and much of its work assumed by the public Selkirk College, it was forced to close in 1977. In its place emerged the David Thompson Centre, a multipurpose facility offering fine arts programs through Selkirk College and university credit courses through the University of Victoria. It enrolled some 400 students in all. Despite lingering local opposition, the centre was effectively closed on April 30, as planned.

The closing of the Nelson centre was followed in short order by the announcement that university grants would actually be cut by 5 per cent for 1984-85. This time, both Simon Fraser and UBC initiated plans to eliminate some marginal programs, while at all three universities fees were increased and salary increases foregone (Simon Fraser faculty actually accepted a 2.7 per cent cut in the salary scale).

The next year saw yet another base cut of 5 per cent in provincial funding. This time, however, the cuts were offset by a special adjustment fund of $14.9 million (essentially the equivalent of the 5 per cent cut), intended to support selected programs of the highest priority to the province and at the same time to facilitate program changes by funding early retirement and other severance arrangements.

Alberta did not close any of its four universities, but it did manage to relocate one. After canvassing a number of alternatives, the government announced in 1980 that Athabaska University, Alberta's open learning institution, would be relocated from its temporary quarters in Edmonton. The decision was tinged with a mixture of irony and poetic justice, for Athabaska University was actually to be moved to Athabaska, a small town 85 miles north of Edmonton. The governing board, which had apparently been advised of the decision an hour before it was announced,[65] initially acquiesced in the move, but after the resignation of the president and protests by faculty and staff it undertook to study the implications of moving. For its part, the government stuck to its decision, and the new campus was officially opened in June 1985. Over half of the total staff resigned rather than move.[66]

Rethinking the Buffer. When Alberta scrapped its universities commission in 1973, it had appeared to be acting quite outside the mainstream of provincial policy. At the time, all of the provinces with more than one university had some kind of intermediary agency and if there was a trend in provincial policy, it was in favour of strengthening these bodies. As growth gave way to restraint, and with it a heightened interest in coordination and rationalization, the effectiveness of the buffers came more and more to be questioned, and on both sides of the delicate balance.

Saskatchewan was the first to take action, coincidental with a change of government. In April 1983 the minister of finance introduced legislation to abolish the Saskatchewan Universities Commission. The reasons he gave for the action were telling:

> . . . university officials saw this commission as an unnecessary level of government bureaucracy and preferred to deal directly with the government. In addition . . . the universities commission was an obstacle to effective and integrated post-secondary education planning. To continue the existence of the commission would have been a waste of taxpayers' money.[67]

The work of the commission was assumed by the minister and the Department of Advanced Education and Manpower.

Three years later, much the same arguments were being made in British Columbia, although in this case with less emphasis on provincial planning. It was the university presidents who persuaded the government to abolish the Universities Council of British Columbia, and one of the principal arguments they used was that an annual saving in excess of half a million dollars could be realized.

The abolition of the universities council was preceded by the reorganization of cabinet responsibilities and the demise of the unique portfolio of Universities, Science and Communications under the universities' nemesis, Hon. Patrick McGeer. McGeer, a tenured professor on leave from UBC, was wont to give voice to contentious and unconventional views on such matters as tenure and admissions policies. As well, his involvement in the fiscal restraint program of 1983-86 made him a frequent target of criticism within the universities. In a cabinet reorganization in early 1986, responsibility for universities was shifted to the new Ministry of Postsecondary Education, under a new and more conciliatory minister. These changes ushered in a much improved relationship between university officials and the provincial government, and no doubt cleared the way for the elimination of the intermediary agency, which the presidents were generally convinced had mostly gotten in their way. The council was abolished early in 1987. In the meantime, and following the 1986 election in which the Social Credit party was returned to power but under a new premier, Hon. William Vander Zalm, the ministry was again reorganized under the composite designation of Advanced Education and Job Training.

Something else was involved in the British Columbia decision, however. The government was in the midst of a major "downsizing" of the public service, and it was a remarkably small and inexperienced department which assumed responsibility for the universities. The result was that the abolition of the intermediary agency, in this case, resulted in a substantial decentralization of authority to the universities themselves. Responding to this opportunity, the university presidents formed their own tri-universities presidents' council, and it has been this body which has wrestled with such touchy issues as the division of provincial operating grants among the three institutions. Significantly, the full-time secretary of the council was seconded from the provincial department.

While this may serve as a short-term expedient, there is no reason to believe that it will prove to be more effective than previous attempts at "collective autonomy." Nor is the presidents' council equipped to assume responsibility for the development or articulation of public policy. In that regard, British Columbia has embarked on a far-reaching reform of its postsecondary system.

In a complete reversal of the often expressed view of Dr. McGeer that universities should reduce enrolment in order to enhance quality, the government by 1986-87 was showing increased concern about accessibility. In 1988, the new minister, Hon. Stanley Hagen, appointed a series of "access" committees, one in each of the eight regional units into which much of the province's public administration was being decentralized. The recommendations of these committees were then coordinated by a province-wide committee, which submitted its report in September 1988. The committee proposed that all of the regional colleges offer at least a core university-level program covering the first and second years. But in the more densely populated regions not currently possessing a university, "degree programs [should] be expanded by means of the establishment of an upper-level 'university college' component."[68] The proposed university colleges would initially be administrative units only, arranging for courses to be offered and degrees awarded by one of the three universities or by the British Columbia Open Learning Agency. Over time, however: "A 'university college' component of a regional college . . . could continue and expand as a 'university college'; or it could develop into an autonomous university; or it could lead to a comprehensive degree-granting regional college."[69]

The universities greeted this proposal with considerable enthusiasm, reflecting both a growing interest in institutional differentiation and a continuing concern for enrolment growth that had overtaken capacity. The government reacted quickly and dramatically, announcing in the spring of 1989 that some $690 million would be committed over six years in capital and operating funds to create 15,000 additional university places. Three colleges—in Kelowna, Kamloops, and Nanaimo—were expected to be offering four-year degree programs in cooperating with established universities by 1990, while a fourth, free-standing university was proposed for Prince George.[70] Following the completion of a consultant's study of public support for a new university in the north, legislation to establish the University of Northern British Columbia was introduced on June 1, 1990.

Somewhat similar developments have been taking shape in Alberta, and senior university officials fully expect to see some of the colleges there assume four-year degree status within the next few years.

British Columbia had been the third province to abolish its intermediary agency and, with Newfoundland, the fourth to rely on a direct university-government relationship. Other provinces were also reconsidering the role of the buffer. Nova Scotia had for some time demonstrated its lack of enthusiasm for the MPHEC's attempts at regional funding, while its 1985 royal commission was not impressed with the MPHEC's record in relation to system rationalization:

> While the MPHEC is entrusted with planning functions and with the encouragement and facilitation of cooperative arrangements and regional centres of specialization, its lack of autonomous executive authority would seem to have impeded it from undertaking effective action in these areas.[71]

The royal commission saw only two effective alternatives, a consolidated University of Nova Scotia, or a stronger intermediary agency, styled the Nova Scotia Council on Higher Education (NSCHE), operating at the provincial level and armed with its own executive powers in relation to the allocation of resources and the review and approval of academic programs: "the intermediary body should assume an active role in promoting coordination, with the power to compel rationalization to occur, rather than rely solely on voluntary cooperation between the universities."[72]

The provincial council might well be compatible with a continuation of the MPHEC, the commission argued, but if so the latter would be confined to data collection and the coordination of specialized programs offered by only one university in the region.

The MacLennan commission had certainly touched on an issue of long-standing concern to the provincial government, but it elicited almost unanimous opposition within the university community. Faced with the prospect of real coordination, university officials suddenly discovered a deep affection for the MPHEC. The government, after early indications that it intended to establish the proposed council, backed down and sought a compromise acceptable to the universities. That compromise turned out to be an interesting one: create a provincial council, but make its membership identical with Nova Scotia's representation on the MPHEC. This is, in fact, exactly what happened, although not for another two years and only after the future of the MPHEC itself came under review by the three premiers.

The result of that review was an agreement, reached at the June 1987 meeting of the Council of Maritime Premiers, to increase the size of the commission from 16 to 20 (including the chairperson) with three of the four additional members to come from Nova Scotia (the fourth was allocated to New Brunswick).[73] This gave Nova Scotia a total of nine members, and thus a potential provincial council of the same size. No such council yet existed, however.

In December 1987, following a major cabinet shuffle and the creation of a new department of advanced education and job training, the premier, by order-in-council, appointed a chairperson (the former deputy minister of education, Gerald McCarthy) but not a council. Nevertheless, Nova Scotia's members of the MPHEC began meeting as a provincial council in February 1988. A year later, the throne speech promised legislation "that will broaden the role and mandate of the Nova Scotia Council on Higher Education in the general areas of: planning, evaluation and coordination, and budgeting."[74]

No such legislation materialized, the government apparently divided over the powers it should be assigned. Finally, the matter was resolved in June, by order-in-council. The principle of dual membership on the NSCHE and the MPHEC was confirmed, but the provincial body was given extensive powers which virtually eclipsed the MPHEC in Nova Scotia. Henceforth, the provincial and not the regional body would advise on funding levels and the distribution of grants to institutions. Moreover, the NSCHE was directed to: "establish, in conjunction with the universities, a long-range plan for the development of a coordinated system of university education . . . ."[75]

Almost as though designed to keep all options open, the MPHEC was simultaneously given a new, if uncertain, lease on life, finally getting a permanent chairperson after several years with only an acting head. The two organizations have thus far managed to function without conflict, their respective heads maintaining a pragmatic working relationship. In part this is a matter of necessity, since the NSCHE has been given only modest resources.

Quebec also confronted questions about the continued usefulness of its Conseil des universités. In 1984, the direction général de l'enseignement supérieur was split off from Education, to form part of a new Ministère de l'enseignement supérieur, de la science at de la technologie. Then, following the defeat of the Parti Québécois, and the election of a Liberal government under Hon. Robert Bourassa in 1986, a task force was established under the Treasury Board president, Hon. Paul Gobeil, to review government organization and programs with a view to improving efficiency. The task force, drawn mostly from the business community, recommended that tuition fees be tripled to approximately 20-25 per cent of program costs, that faculty teaching loads be increased, and that both the Université du Québec and the Conseil des universités be abolished. A separate administration for the provincial university was rendered redundant by the establishment of a distinct provincial ministry for higher education, the task force argued, while a legislative committee could better perform the advisory functions of the universities council.[76]

The Quebec government did establish a parliamentary commission, under the standing committee on education and manpower of the national assembly, which conducted extensive public hearings in the fall of 1986. What it heard, from nearly all quarters, were arguments for increased funding.[77] The commission also provided the new minister, Hon. Claude Ryan, with an effective vehicle through which to distance himself from the recommendations of the Gobeil task force. Elimination of the Conseil des universités was flatly rejected, while the future of the Université du Québec was referred to yet another task force, chaired by a former president of the university, Robert Després, which reported in June 1987. While proposing some administrative changes, it strongly endorsed the continuation of the university in its existing form, and specifically rejected the idea of autonomy for the Université du Québec à Montréal.[78] Exactly two years later, however, the government struck a compromise. The Montreal campus would continue as part of the Université du Québec, but as an "associate university," with the power to grant its own degrees.[79]

In Ontario, one of the matters specifically referred to the Bovey commission had been: "To consider the need for mechanisms for regulation, coordination and the provision of advice to the Government, and in particular to clarify the role of the Ontario Council on University Affairs in the context of a new and differentiated university structure."[80] Since the commission did not propose "a new and differentiated university structure," but rather sought to design mechanisms that would promote differentiation through institutional competition, it was not inclined to suggest any major changes in the role of the OCUA. Rather, it concurred in the "collective verdict" of the universities themselves, endorsing a continued advisory role for the intermediary agency, and proposing the incorporation of the Quebec principle by which the government would be expected to seek the advice of OCUA before taking major decisions affecting the university system.[81]

Four years later, and after the change of government, Ontario revisited the issue of its intermediary agency, this time by appointing the new president of Trent, Dr. John Stubbs, as a one-person adviser on the subject. In his July 1988 report, Stubbs noted considerable concern within the university community over what was perceived to be an increasingly regulatory role played by the OCUA, bestowing upon it "an almost *de facto* executive authority."[82] He concluded that much of the concern was unfounded, but nonetheless concurred in the view that regulatory responsibilities might better be exercised by the Ministry of Colleges and Universities itself, while the primary role of OCUA should be to facilitate institutional planning: "I am persuaded that it is logical to have Council now play a larger, more formal but still advisory, role in system planning and co-ordination."[83]

The planning process endorsed by Stubbs echoed that proposed by the Bovey commission three and a half years earlier, and rested primarily on the initiative of individual universities which would prepare strategic statements of their intended roles and capacities. The OCUA would manage and coordinate this planning process, ensuring that provincial policy objectives and priorities were incorporated while safeguarding the autonomy of the participating institutions.

The Stubbs review was undertaken in response to widespread apprehension that the OCUA was becoming an agent of provincial regulatory control of the university system. Much of this apprehension, in turn, arose from the introduction of a new grant structure in 1987 and its incorporation of the principle of earmarked funding.

Earmarked Funding. Earmarked funding has been the major innovation of the 1980s as a means to facilitate provincial government influence in university planning and development. Signs of the emerging trend appeared early on in several provinces, with the recognition of specific programs for additional funding. In the early stages, however, it was mostly a matter of selective provincial responses to university proposals. The MPHEC similarly provided extra-formula funding for certain new programs deemed by the commission to be of regional priority.

The contemporary pattern of earmarked or targeted funding really dates from 1983-84 when Quebec introduced priorities, by discipline and level, in the recognition of enrolment growth. The stage had actually been set for this a year earlier, when a new scheme for compensating enrolment growth was introduced. The value of each additional student was put at 75 per cent of the provincial average cost for each discipline and level of instruction (undergraduate, master's, and doctoral). Beginning in 1983-84, enrolment increases in designated priority areas (ostensibly those deemed to contribute to technological change, but coming to include all pure and applied sciences and administrative studies, as well as law and humanities at the masters and doctoral levels) were counted at 100 per cent of the average provincial cost. All other enrolment increases continued to be discounted at 75 per cent. The system was regularized in 1984-85, with enrolment growth in the priority areas counted at 70 per cent of the system average, and growth in other areas at 50 per cent.[84]

A second approach to earmarked funding was also introduced in 1984-85, when Saskatchewan announced the establishment of a $400-million, five-year endowment fund, $125 million of which was designated for universities, to be used to support program development and rationalization.[85]

British Columbia's provision of a special adjustment fund of $14.9 million in 1985-86 also fits within this approach. The intention was clearly to support the strengthening and expansion of university programs in certain areas, and especially in engineering, while recognizing the adjustment costs attendant upon program reduction or rationalization in other areas.

Earmarked funding acquired a new respectability with the establishment in 1986 in both British Columbia and Ontario of "funds for excellence." For British Columbia, this fund marked the appearance of the first light at the end of what had seemed to many in the universities as a long, dark tunnel of base funding cuts. A total of $600 million was promised over three years for the entire education sector, with $110 million committed for 1986-87. For the universities, no increase in base funding was provided in the 1986-87 budget, but $30.9 million was allocated from the "excellence" fund. In the event, a substantial portion of the new funding was added to the base, while the three presidents scored a remarkable coup in jointly persuading the government to allocate a portion of the fund to merit-based salary increases. For 1987-88, base funding was actually increased by 5.6 per cent, and a further $27 million was allocated from the fund for excellence.

Ontario's experience with earmarked funding began almost immediately after the emergence of the minority Liberal government under Hon. David Peterson. On October 17, 1985, the Minister of Colleges and Universities announced in the legislature that the government recognized the cumulative underfunding of the university system and was responding with a special "excellence fund" of $50 million for 1986-87, implicitly accepting several of the Bovey commission proposals:

> The university excellence fund will provide for the enhancement of quality in both teaching and research and will involve three major components. The first is faculty renewal, the second is research leadership, and the third is library enhancement and instructional equipment.[86]

Few details were provided at the time, although the minister did indicate that the fund would be divided on the basis of $10 million for faculty renewal (hiring new, young faculty), $15 million for specialized research equipment, facilities and staff, and the remaining $25 million for library acquisitions and instructional equipment. The minister also indicated that he would be seeking the advice of the OCUA on some aspects of the scheme.

By the time he did so, by letter of October 25, the provincial treasurer had already indicated that the level of base funding for the universities would be increased by 4 per cent for 1986-87 and, in a marked departure from earlier practice, committed the government to a further 4 per cent increase for 1987-88. While universities welcomed the multi-year commitment, the modesty of the base funding increase dampened the enthusiasm that had earlier attended the establishment of the excellence fund. Moreover, the combination of the two announcements added to an already confused state of affairs with respect to Ontario's funding formula.

The last significant revision of the formula had occurred in 1978-79 when its sensitivity to enrolment changes was substantially discounted. Subsequently, the OCUA became increasingly concerned about the allocative consequences of the degree of enrolment sensitivity that remained. In a situation of base budget compression, the OCUA found it unacceptable that universities whose enrolment was stable, or even increasing but at below average rates, were destined always to receive less than the average grant increase. It therefore proposed a new formula in 1983, one that was almost totally insensitive to enrolment changes, provided enrolment did not fall below 95 per cent of a proposed 1980-83 base period. The OCUA was quite explicit in arguing that the proposed formula would "... encourage and assist the institutions to rationalize their programs."[87]

The government, however, rejected the council's proposal and in December 1983 advised the OCUA of its own formula revision, one that retained considerable enrolment sensitivity and was to be phased in over three years beginning in 1984-85. This substitution came at virtually the same time as the appointment of the Bovey commission was announced. When, a year later, it proposed a quite different approach (incorporating "corridors" of enrolment insensitivity increasing in size with the degree of research intensity), the OCUA recommended and the government accepted that the phasing in of the new formula should be suspended after its first year pending consideration of the Bovey proposals. "Since that time," the OCUA observed, "the formula grants mechanism has been in a state of flux and uncertainty."[88]

The minister's letter of October 17 to the OCUA at once both added to this confusion, by initiating a one-shot infusion of additional funds for specific purposes, and offered the future prospect of its resolution, by asking for advice on revisions to the funding arrangements. In so doing, he also indicated his rejection of the limits on accessibility recommended by the Bovey commission.

In January 1986 the OCUA tendered its advice on a number of details respecting the distribution of the excellence fund. In this, it was highly critical of the one-shot approach, and urged the government to consider extending the commitment over a period of years, especially in the case of the faculty renewal component. "True faculty renewal," the OCUA argued, "cannot be undertaken under a one-year program."

> To have any meaningful impact in providing opportunities for new young scholars and women faculty a Faculty Renewal program must, in part, be looked upon as a bridging program providing funds to support additional faculty until their appointments become self-financing through the retirements of senior faculty.[89]

The government quickly accepted this advice, the minister announcing in May that the faculty renewal program would be extended for five years, with an additional commitment of $84 million. Moreover, since each new appointee would be supported from the fund for five years, the program would effectively extend for a period of 10 years, to 1994-95. In all, 500 new appointments were expected to be made.[90] Then, in November, the minister announced that not only would the excellence fund be extended (with a total of $37 million for 1987-88) but, on top of that, another $60 million in earmarked funding would be made available, specifically to recognize the costs of previous instructional and research expansion ($50 million), the undefined but "particular" needs of northern institutions ($3 million), and the costs associated with program rationalization ($7 million).

The OCUA's proposed new formula, revealed just over a month later, openly embraced the concept of earmarked funding, introducing the idea of funding "envelopes" in what the council described as "an integrated package of funding mechanisms." Five envelopes, or categories of funding, were proposed: a basic formula plus four categorical or earmarked grants. The formula grant envelope would provide continuing base support, and would therefore contain the great bulk of the available funding.

The OCUA was still anticipating a drop in enrolment, now projected for the 1990s, and it was especially anxious to put an end to the situation whereby some universities deliberately chased enrolment increases in order to capture a larger share of the total funds available and in the process penalized more stable institutions. In order to enhance stability, it was again proposed that the formula become totally insensitive to enrolment changes, provided that the weighted enrolment did not fall below 97 per cent of the base period. Individual institutions might negotiate a higher or lower enrolment base, as a matter of policy, but otherwise increasing enrolment was no longer to yield increased income (save for the additional tuition fees).

The four other envelopes contained the earmarked funds set out by the minister in November. One addressed institution-specific concerns, and included the $3 million for northern universities (this amount was in addition to a northern premium already built into the formula). Another envelope incorporated the $7 million for program adjustments. The OCUA had originally seen this as a means of facilitating program contraction, but the government broadened it to encompass new and expanded programs as well. This left the $50 million for recognition of increases in research and instructional costs over and above those supported under the previous formula. The OCUA proposed splitting this into two equal envelopes, one addressed to research and one to enrolment.

On the research side, the OCUA scored a significant breakthrough in gaining explicit recognition of the indirect or overhead costs of research, and the growing burden placed on research-intensive universities by virtue of a funding formula ultimately based on enrolment. The manner of distribution was simple but effective. The available funds were divided among the universities in proportion to their shares of sponsored research funds from the three federal granting councils, the National Sciences and Engineering Research Council (NSERC), the Medical Research Council (MRC), and the Social Sciences and Humanities Research Council (SSHRC), over the preceding three years. For 1988-89, grants from this envelope were equal to approximately 20 per cent of sponsored research income from the three councils.[91]

It was the enrolment adjustment fund that caused the OCUA the greatest difficulty. The problem was simply that any device that rewarded enrolment growth would undercut the council's primary objective of stability. The proposed solution was a one-time adjustment that would partially compensate for the cumulative effects of discounting growth in the past, and a future arrangement that would address specific, short-term and non-recurring situations such as the temporary bulge anticipated in the wake of revisions to the secondary school curriculum (resulting in a situation where students might complete school after 12 instead of 13 years). The council was adamant that Ontario not return to a situation that rewarded competition for enrolment, and suggested that there would be years in which "this envelope will remain inactive."

While the government accepted the OCUA's advice for 1987-88, it disagreed about the longer term use of what was to become the "accessibility envelope." In doing so, it struck a considerable blow to the symmetry of the OCUA's "integrated package of funding mechanisms." The minister announced that all enrolment growth was to be compensated:

> The government is committed to enhanced accessibility to university education and is willing to provide the necessary funding to ensure that this commitment will not impact negatively on its intention to provide adequate base funding through the basic operating grants envelope.[92]

With that commitment, the minister had virtually signed a blank cheque to meet the additional costs attendant upon future enrolment growth. The cost of that commitment, of course, remains to be determined, as does the damage done to the integrity of the composite funding arrangement. Even with that potential problem, the "envelope" approach does offer an attractive combination of stable base funding and recognition of specific government priorities. It has also spawned a new tension between public policy and institutional autonomy. When the government announced that university grants would increase by 7.5 per cent for 1989-90, the COU called the announcement "irresponsibly misleading" because base funding had, in fact, increased by less than 4 per cent and less than the rate of inflation.[93] Half the increase in provincial funding, in short, was earmarked for specific purposes.

Alberta had come to a not dissimilar arrangement, albeit by a different route and without the benefit of an intermediary agency. When the enrolment-driven formula was scrapped in 1976, it was replaced with annual grants for each institution that were simply increased from the previous year by a common percentage. Over time, however, three categorical or earmarked arrangements were added, respectively funding new programs, the operating costs of new physical space, and certain special circumstances "deemed by the Minister to warrant financial adjustment."[94] Once in place, these grants were normally rolled into the base and thus perpetuated. In 1982-83 a fourth category was added, a supplementary enrolment fund designed to meet at least a portion of the additional costs of enrolment growth. In a study of the equity of Alberta's operating grants structure undertaken for the minister, Stefan Dupré described this fund as "in effect an enrolment growth envelope."[95]

The serious consequences of past restraint in the face of growing enrolment had been highlighted in Quebec by the legislative committee hearings in 1986. The minister, Hon. Claude Ryan, responded in January 1987 by announcing the end of budget compression and proposing a two-year recovery plan involving increased funds earmarked for enrolment growth, deficit reduction, equipment and library collections and, significantly, the indirect costs of research. The two-year transitional period was to be followed by the introduction of a new grant structure.

The plan was confirmed in the April budget. In addition to adjustments covering inflation and enrolment growth, it provided $30 million in new funding for 1987-88, and another $29 million for 1988-89. Half of this ($15 million each year) was for base adjustments,[96] $8 million ($7 million in the second year) was to defray the cost of carrying accumulated deficits, to be conditional on the submission of plans for their elimination,[97] and $7 million in each year was for the indirect costs of sponsored research (both federal and provincial).

The new operating grant formula that was to take the place of these transitional arrangements in 1989-90 has not materialized. The government did present a proposal during 1988, but it awaits agreement within the university community. It proposed to drop the historical approach, in favour of a formula based on weighted enrolment and treating expenditures in three functional categories: teaching (including free research), administration, and maintenance.

What caused the difficulty was the suggestion that existing inequities be eliminated by levelling all institutions up or down to the new funding base. An internal reallocation of $22.7 million would have been involved, with four gaining and five losing. McGill alone would have gained 70 per cent of the total ($16 million), a clear vindication of its persistent cries of relative underfunding. Conversely, two universities, Montréal and Laval, would have contributed 75 per cent of the adjustment ($10 million and $7.2 million respectively).[98]

A second feature of the government's proposal was the commitment to bring the aggregate level of university funding in Quebec into line with other provinces, and especially Ontario. The result of nearly a decade of budget compression yielded an acknowledged gap of some $100 million, although the universities themselves suggested the real gap was twice that.

In the event, increased funding in 1989-90 ($60 million beyond normal indexation) and promised for 1990-91 will substantially, but by no means entirely, close both the inter-institutional and inter-provincial gaps. There will be no levelling down, however.[99] Nor will the funding increases further address the problem of accumulated deficits, despite earlier suggestions to the contrary. Recognition of the indirect costs of sponsored research is to continue, pegged at 15 per cent of the value of all peer-adjudicated grants, federal and provincial.

Quebec also decided to increase tuition fees for 1990-91, frozen since 1968. All fees increased by $350, with provision for institutions to charge up to another 10 per cent. Individual institutions will retain 80 per cent of the additional revenue, the government withholding the remainder in order to cover the increased costs of student assistance. Fees are scheduled to increase again in 1991-92, and thereafter by formula.

The Maritime provinces, and Nova Scotia in particular, were experiencing the allocative effects of unequal enrolment growth in the context of fiscal restraint. With a formula that retained an element of enrolment sensitivity, the effect of rapid growth in some universities was a reduction in grants for others. The situation became quite serious for institutions with fixed-enrolment professional and graduate programs, such as Dalhousie and the Technical University of Nova Scotia.

The continuing saga of regional equalization provided a second cause for institutional discomfort. The plan proposed in 1978-79 was designed to bring all Nova Scotia universities up to the regional per student average over five years. That target was immediately extended to 10 years, and continued to move forward as insufficient funds were provided. None of the universities was happy with this arrangement; those in receipt of equalization resented the slow progress, while those not eligible saw it as a drain on what would otherwise be available for general distribution.

The actual differences in grant increases resulting from these two factors were substantial. In 1986-87, for example, a total grant increase of 3 per cent produced institutional increases ranging from a low of 1.5 per cent to a high of 7 per cent.

The MPHEC began a review of its funding formula in 1986, but postponed the process when the future of the commission was put under review. With that issue at least temporarily resolved, the process of formula revision was taken up again. This time, the commission turned for advice to Alan Adlington, just retired as deputy minister of colleges and universities in Ontario, and a former vice-president and president of Western. The mandate was nominally a regional one, but it was clear to everyone involved that it was really addressed to university funding in Nova Scotia.

Adlington found much to praise in the MPHEC funding formula, which he described as "one of the better conceived and constructed in Canada."[100] Nonetheless, he concluded that: "Funding formulas which are essentially equity-based and enrolment-driven have, in my judgment, run their course in Canadian jurisdictions . . . ."[101]

He suggested a "fresh start" which, after a one-time adjustment to eliminate the problem of equalization, would introduce the principle of earmarked funding. Base funding would either be entirely insensitive to enrolment (by merely incrementing the previous year's basic operating grant) or could incorporate the idea of an enrolment corridor, providing a floor below which grants would again become sensitive to enrolment, and thus protecting accessibility to a degree. Beyond the base grant, additional funding would be allocated within "policy envelopes." Here, Adlington urged the MPHEC to shift its focus from the management of formula allocations to the formulation of policy advice respecting funding targets. Such advice, in turn, should derive from an ongoing planning process, similar to that proposed for Ontario's OCUA by John Stubbs, in which the universities would be called upon to develop and submit "planned capacity and role statements."

The essence of the Adlington report, as of the current trend toward earmarked funding, was contained in the concluding paragraph:

> By removing the formula and adopting a planned capacity and role approach coupled with policy envelopes, the Commission can tender its advice and make its recommendations so that public policy issues and institutional plans can be integrated for funding purposes. **The three governments, explicitly or implicitly, will then have to fund what they are saying or say what they are funding.**[102]

In April 1989 the Council of Maritime Premiers authorized the MPHEC to proceed to call for the role and capacity statements "that would be required if the Adlington proposal were to be followed."[103] By the end of June the request had gone out, but only to universities in Nova Scotia.[104] The 1990 throne speech, noting that the role and capacity statements were currently under review by the NSCHE (not the MPHEC), promised that they would provide the basis for "a more coordinated approach to the delivery of university education in Nova Scotia, including program rationalization."[105]

Meanwhile, beginning in 1990-91, Nova Scotia opted out of the regional funding formula, moving by itself to implement the basic principles of the Adlington report. All universities in the province were given a base funding increase of 4 per cent. The equalization project was to be completed in two final instalments, with $1.5 million devoted to this purpose in 1990-91. Finally, $1.8 million (less than half the amount recommended by the NSCHE) was set aside for targeted funding. Of this, $0.5 million would be used to honour previous commitments for new and expanded programs, leaving $1.3 million to be allocated in response to university proposals, including those embodied in the planned role and capacity statements. In July the minister announced the final allocation for the year, based on advice from the NSCHE: $400,000 would go to cover a portion of the indirect costs of research, $350,000 to increasing accessibility for previously under-represented groups, $325,000 to new equipment and technology, and $250,000 to program change and rationalization.

In some provinces the trend toward earmarked funding was joined with a growing concern for the importance of research in stimulating economic development, to give birth to a new trend in provincial policy: the designated centre of excellence.

Centres of Excellence. Although the federal government clearly dominated the financing of university research, the provinces were by no means entirely inactive in this regard. Before 1980, however, only Alberta and Quebec had adopted anything approaching coherent provincial policies on research.[106]

Alberta established its provincial research council, a joint university-government undertaking, as early as 1919.[107] Other specialized initiatives followed, particularly in relation to agriculture and oil sands development. It was the Heritage Foundation for medical research that most forcefully set Alberta apart, however. Established with an endowment of $300 million in 1979, the foundation signified a quite deliberate strategy of establishing Alberta as a major centre for medical research.

Quebec entered the field much later, as part of the major reforms of the 1960s, but it moved very quickly to embrace a general policy on research. The first step was taken in 1968, with provision in the legislation creating the Université du Québec for a constituent research institute. Within a year the Institut national de la recherche scientifique (INRS) was established. It was a novel organization, holding the status of a university but without a teaching program. Moreover, its location within the Université du Québec was to cause considerable resentment within the other universities.[108]

The INRS was quickly followed by a second and more significant initiative, a full program of provincial support of university-based research: "Formation de chercheurs et action concertée" (FCAC). This initiative was a continuation of *rattrapage*, as well as of the generally nationalist objectives of the Parti Québécois and a particular project designed simultaneously to offset and to take fuller advantage of the federal government's preeminence in the support of university research: "... its principal aim was to encourage the further training of young researchers and enhance the eligibility of Québec academics for federal research funds."[109] By 1977-78, the program was dispersing some $10 million annually, much of it in support of specialized university research centres.

At the same time, the Parti Québécois government launched a major review of provincial support for scientific research, within the context of a comprehensive cultural development policy for the province. A high point in that process was reached with the publication in the spring of 1979 of the government's "green paper," entitled *Towards a Scientific Research Policy for Québec*.

The green paper set out a framework for the coordination of research within Quebec, particularly among the three principal sectors: government, industry, and university:

> ... what might be envisaged is a model which would leave to the various components of the research system all the responsibilities relating to the specific goals they are pursuing and which, at the same time, would rely on a central body, endowed with real power, for everything related to coordination and joint action among the various elements.[110]

This proposal elicited strong reaction from a variety of sectors, and the government softened its position somewhat in the subsequent "white paper" of 1980,[111] dropping the notion of a strong central coordinating agency. In the event, several significant changes did follow from the policy review, although not until after the referendum and therefore within a changed political environment. In 1981 the administration of the research grant program was reorganized under a separate agency with its own funds, "le Fonds FCAC." Then, two years later, the mandate of this agency was broadened and its name changed to "le Fonds FCAR" (Fonds pour la formation des chercheurs et l'aide à la recherche). While still administering the research grant program, the agency was also given responsibility for planning and coordination and, specifically, for the preparation of annually rolling three-year plans for government consideration and approval. The focus of the research program was made quite explicit:

> . . . le Fonds compte contrer son action sur les modes d'organisation de la recherche en accordant une importance accrue à la recherce en équipes et au développement de centres d'excellence par une politique sélective de concentration des resources autour des chercheurs les plus qualifiés.[112]

At the same time, a separate Ministry of Science and Technology was established. A year later, it was combined with the colleges and universities components of the ministry of education to form the comprehensive ministry of higher education, science and technology. The reference to technology was dropped in 1985, yielding the Ministry of Higher Education and Science (le Ministère de l'Enseignement supérieur et de la Science).

The change in government in Ontario was also attended by the discovery of a new interest in designated centres of excellence. Such an idea had been percolating within the university community for some time, and particularly among the presidents of the major research-intensive universities of southern Ontario. The government quickly claimed the idea as its own, announcing in the speech from the throne on April 22, 1986 its intention to "... encourage the development of centres of excellence in Ontario's post-secondary institutions."[113] This was to be part of a larger project, intended "... to steer Ontario into the forefront of economic leadership and technological innovation."[114] The project would be directed by a high-powered "Premier's Council" armed with a $1-billion technology fund.

The council was established in July and in less than a year was able to announce the designation of seven centres, or major research programs.[115] These were selected from 28 applications by an international panel of scientists, chaired by Dr. Fraser Mustard, a member of the premier's council and earlier of the Bovey commission. One of the most noteworthy features of this program was the extent to which the "centres" were organized as inter-university consortiums. Only two of the projects were based in a single university, while three of them involved four universities, one involved five, and another as many as six. Toronto and Waterloo were each involved in no fewer than five of the seven centres, Queen's and Western in four, McMaster in three, Carleton in two, York and Ottawa in one.

Ontario's imaginative concept of multi-university research centres of excellence was explicitly given an even broader potential reach. In the November 1987 throne speech, the Ontario government went so far as to: "invite other provinces to participate in the research activities carried out at the centres . . . . At the same time, we shall put forward proposals for co-operative action leading to the establishment of a national network of centres of excellence."[116]

The Intergovernmental Arena

The 1984 amendments to the federal EPF legislation served mostly to exacerbate an already difficult intergovernmental relationship. By requiring an annual accounting of federal transfers and provincial expenditures, the federal parliament indicated clearly, if implicitly, that it considered the provinces morally obligated to direct the funds arising from, or imputed to, the EPF transfer to postsecondary education and to no other purpose.

This view was strongly echoed by A.W. Johnson in his report for the secretary of state, submitted to a new, Conservative government in 1985. Indeed, Johnson was mildly critical of the federal government for not going further, noting that the 1984 amendments:

> . . . still did **not** however, introduce any conditions which would require, or incentives which might induce, the provinces to devote the whole of the fiscal transfers, "unattenuated", to post-secondary education. And in this sense the federal-provincial malaise in respect of post-secondary education was left unresolved.[117]

Johnson argued that the provinces were indeed taking fiscal advantage of the absence of such requirements or inducements and were diverting the transfers to other uses. He calculated that federal transfers had reached 80 per cent of provincial expenditures, up substantially from 69 per cent in 1977-78. His solution was to "reconditionalize" the federal transfer, limiting the annual increase for each province to the percentage increase in its own expenditures on postsecondary education.

The provinces, for their part, were unimpressed and unrepentant. Eight months after the release of the Johnson report, the CMEC issued its response. The council flatly rejected any notion that EPF implied a moral commitment to earmark the transfers for postsecondary education and, in a wonderful demonstration of bureaucratic obfuscation, argued that: "EPF is a fiscal transfer to the provinces in respect of health and postsecondary education, not for health and for postsecondary education."[118]

In any case, the federal government had already decided on its future course. Abandoning any further attempts to inject a federal purpose back into EPF, the new minister of finance, Hon. Michael Wilson, announced in its May 1985 budget that the rate of increase in federal transfers would be reduced, "to yield annual savings of $2 billion by the end of the decade."[119] The actual device by which this was to be accomplished, embodied in legislation just over a year later, involved setting the annual escalator in provincial entitlements at two percentage points below the growth in GNP (provided this reduction would not bring the increase below the rate of inflation).

What the federal government had set in motion was the gradual but automatic withering away of EPF. The actual federal transfer to each province was calculated as the difference between the standard per capita entitlement and the equalized yield of the transferred tax room. With the entitlement now increasing at a rate below GNP, it could be expected that provincial revenues attributable to the tax transfer would rise faster than total entitlements, thereby gradually reducing the proportionate value of federal cash transfers.[120] And with the passage of time, it would become more and more difficult for the federal government to maintain the illusion that provincial tax revenues from tax room transferred as long ago as 1967 and 1977 somehow continued to constitute an annual federal transfer for postsecondary education.

The Senate standing committee on national finance was well aware of the significance of these developments when it began a study of federal activities in support of postsecondary education and vocational training in the fall of 1985. The committee's critique of the EPF arrangement, contained in its March 1987 report, was as succinct as it was accurate: "The same amount of money transferred to each province outside the EPF framework and unrelated to any program could have had exactly the same influence on post-secondary education as the money now transferred under EPF."[121]

Moreover, EPF had contributed to the deterioration of federal-provincial relations, "because it encourages the two levels of government to blame each other for deficiencies in the levels of financial support to post-secondary education."

> When a provincial government is criticized for inadequate support, it responds that the federal government reduced the money for post-secondary education through the 1982, 1984, and 1986 amendments to the legislation. When the federal government is criticized for reducing the money, it replies that the provinces are not spending it on education anyway.[122]

And with that, the committee reached the bold but logical conclusion that the EPF arrangement ought to be scrapped, converting the cash grants into a once-and-for-all transfer of equivalent, equalized, taxing capacity.

The Senate committee was emphatically not proposing that the federal government abandon its interest in universities, however. The report advanced the proposition that federal attention should be focused on research, and that federal funding of research should not only be increased but should be redesigned to cover the full costs, direct and indirect. Leaders of both the AUCC and the Canadian Association of University Teachers welcomed the proposal to increase federal support of research, but roundly condemned the proposed withdrawal from EPF. Speaking for the AUCC, Principal David Johnston of McGill described the report's central recommendation as "fatally flawed."[123]

That there was still interest in the possibility of a more active federal role had been confirmed in the October 1986 throne speech, announcing the federal government's intention to convene a "national forum" on postsecondary education.[124] Provincial ministers were overwhelmingly critical of this initiative, but the unilateral federal announcement presented them with a difficult dilemma. Eventually, the CMEC agreed to co-sponsor the forum, scheduled for October 1987 in Saskatoon. The decision, according to one senior official, did not reflect any new-found enthusiasm for the idea itself, but rather the appreciation that "it would be better to cooperate and be involved in the planning than to refuse and leave it all to the federal government."[125]

In the event, some 550 Canadians, a virtual microcosm of the interested public, met in Saskatoon for two and a half days to discuss a wide array of issues related to postsecondary education. The presence of a number of provincial ministers, as well as the federal secretary of state, infused the discussions with an element of political realism that might otherwise have been overwhelmed by popular enthusiasm and vested interest. The formal conclusions of the forum were decidedly modest. Dr. Brian Segal, president of the Ryerson Polytechnical Institute and chairperson of the forum, pleaded with the federal and provincial governments:

> . . . to enter into such arrangements, to agree on whatever modalities, to devise some effective and appropriate means through which many of the issues that have been discussed here may find resolution . . . .
>
> It is for governments to decide what such arrangements might specifically involve . . . .[126]

There was agreement among the federal and provincial ministers that continuing discussions might be fruitful in four areas: student financial assistance, support of international students, university-based research, and research on postsecondary education. What seemed particularly promising about this approach was the possibility that it might finally begin to build the intergovernmental "trust ties" between officials concerned with specific areas of shared responsibility which Stefan Dupré identified as the key to a workable federal-provincial relationship.[127]

Indeed, there even seemed to be some possibility that a general framework for consideration of these issues might evolve between the CMEC and the Secretary of State's Department. In February 1988 the CMEC agreed to establish a committee of ministers responsible for postsecondary education, "The Ministerial Postsecondary Committee," and to refer the four topics agreed to in Saskatoon to that committee for further consultation. Much of the momentum went out of the process, however, with the subsequent resignation of Hon. David Crombie as secretary of state, and the electoral defeat of Hon. Roland Penner, minister of education for Manitoba and chairperson of the CMEC at the time of the national forum. The two most enthusiastic proponents of a new federal-provincial *modus vivendi* were thus removed from the scene.

Since then, the signals have been mixed. On the one hand, the federal budgets in both 1989 and 1990 have confirmed the federal government's gradual withdrawal from support of the core funding of universities. As of 1989, the annual indexation of provincial entitlements under EPF is to be reduced by another percentage point, saving some $200 million in 1990-91 and $2.2 billion more over the subsequent three years. Then, in 1990, the GNP escalator was suspended altogether for the subsequent two years.[128] Cash transfers are to be frozen at their 1989-90 levels, save only for increases in population.[129] The end of EPF has been brought even closer.

On the other hand, some signs of progress were apparent in specific areas of mutual interest. The existing intergovernmental consultative committee on student financial assistance continues, while a Canadian Education Statistics Council was finally established in September 1989. It consists of provincial deputy ministers and the federal chief statistician, and reflects the priority assigned by the CMEC to improving the statistical information base as the first priority in research on postsecondary education.[130] The most dramatic step came in November 1989 when the provincial premiers agreed to consider the prime minister's proposal for a national task force on human resource development. The premiers offered the cooperation of the CMEC; the prime minister subsequently named Douglas Wright, president of the University of Waterloo, as his emissary.

None of this was sufficient to convince the forum's chairperson, Brian Segal, that anything significant had really changed. Now president of the University of Guelph, he wrote in 1990 that "... many of the expectations of the forum have not been met. In the period since the forum ... post-secondary education has not succeeded in a substantive way in occupying a primary place on the public policy agenda in Canada."[131]

Federal Research Policy

The Saskatoon agreement to put university-based research on the agenda of future federal-provincial discussions must have struck university and government officials alike with a strong sense of *déjà vu*. The fact was that research had been on that agenda intermittently since the Second World War, with little progress having been made in working out a more acceptable arrangement. The Canadian Committee on Financing Research, established coincidentally with EPF in 1967, proved no more effective than previous efforts, and by 1980 it had stopped meeting altogether.[132]

It did leave behind one important legacy, however. The study of the costs of university research, contracted to the Canadian Association of University Business Officers (CAUBO), was finally completed and published in 1982.[133] The study was based on a detailed cost accounting in 14 universities, designed to determine the ratio of indirect to direct costs of research. The results indicated a range of ratios, from a low of 49 per cent to a high of 110 per cent, depending on whether capital costs were included and whether all direct costs or only payroll costs were used as the base. The CAUBO suggested that the highest figure was the most accurate, although even it excluded the cost of faculty time devoted to research.

What the CAUBO study had confirmed was that every dollar of sponsored research funded by the federal government required the expenditure of approximately another dollar by the recipient university. Federal officials argued that these additional, indirect, costs were already built into the 1975-76 expenditure base used to determine the EPF transfer, and that the federal government was thereby transferring to the provinces an amount sufficient to cover half of these costs. The logical extension of that argument is the suggestion, not infrequently advanced by federal officials, that the problem lies in the structure of provincial operating grants, not federal research grants. It was just this logic which first Ontario, and then Quebec and Nova Scotia, seemed to have at least partially accepted with the introduction of earmarked funding envelopes.

Whatever historical validity attaches to this argument, it loses its weight as EPF itself withers away. At the same time, it quite fails to take any account, at the federal level, of changes in the relative distribution of research grants over the past 15 years. Failure to give explicit recognition to the indirect costs of research penalizes the very universities whose faculty members are most successful in securing research grants. This point has been emphasized over and over again in recent studies and reports,[134] thus far to no apparent avail in Ottawa. If little progress has been made on the central issue of indirect costs of research, a variety of other initiatives have been introduced by the federal government, designed specifically to enhance the role of the private sector. Three of these warrant specific mention.

The first was the "matching funds" program. Launched as part of the 1986 budget, the scheme sought to tie any additional funding of research through the councils to matching contributions from private industry, to a maximum of $369 million over four years, starting in 1987. The maximum was subsequently increased to $380 million following a one-time infusion of an extra $11 million for 1987-88. The announcement of the scheme was not well received within the university community, many seeing it as a thinly veiled attempt to reduce direct federal expenditures on research. It was, however, endorsed by the Corporate-Higher Education Forum.[135]

The detailed rules for the new program were not released until November, the hiatus serving mostly to increase scepticism about the amount of thought and planning that had actually preceded the announcement. The rules themselves were quite liberal. The government would increase funding to each of the councils by up to 6 per cent per year, matching private sector contributions directed either to the councils or to individual universities or researchers. Moreover, "private sector" was defined to include not only foundations, trusts, and non-profit organizations, but most Crown corporations as well. At the same time, "contributions" included both money and contributions in kind.[136] Not surprisingly, universities were able to claim very substantial contributions, far beyond the limits of the program, and including even money drawn from existing endowments.

The Senate committee on national finance reviewed the matching grants program in 1988 and found it seriously wanting. In particular, the senators concluded, "there is nothing to indicate one way or another whether the program has been instrumental in generating any additional support from the private sector."[137]

The second initiative began with the creation of the National Advisory Board on Science and Technology (NABST), chaired by the prime minister and bringing together senior cabinet ministers and officials of the federal government, the heads of the granting councils, as well as representatives of the universities and the private sector. Parallels between NABST and the premier's council in Ontario were evident from the outset, but became even sharper when NABST persuaded the federal government to adopt its own version of the centres of excellence program. This was actually part of a multi-pronged program involving $1.3 billion over five years. Its key components included $240 million for networks of centres of excellence, an additional $200 million for the granting councils, and $80 million for scholarships for students in the sciences or engineering.

The federal version of the centres of excellence idea was based directly on the Ontario experience, and yielded some 158 proposals by the November 1988 deadline. An international panel of scholars, this time headed by Dr. Stuart Smith, former president of the Science Council of Canada, was charged with the evaluation of the proposals and the selection of those warranting funding. Their recommendations were then reviewed by an advisory committee of senior Canadian scholars co-chaired by Dr. John Evans, former president of the University of Toronto and Dr. Gilles Cloutier, rector of the Université de Montréal. Emphasis was placed on cooperative proposals involving both universities and the private sector, although the greatest weight in the evaluative process was assigned to scientific merit.

The international panel recommended 16 projects for funding, in two categories. Nine were ranked as "must be funded" and seven as "recommended for funding."[138] In turn, the Canadian committee assigned the highest priority to 12 of the 16 projects approved by the international panel, including all nine of the "must be funded" projects. In its decision, announced in October 1989, the government approved 14 projects, again including all nine designated as "must be funded" by the international panel. Eleven of the 12 projects assigned the highest priority by the Canadian committee were approved, along with three of the four that were recommended but with a lower priority. In all, scientists from 30 universities were included, as well as a number of government agencies or departments (including the National Research Council) and at least two dozen private-sector firms, laboratories, or industrial associations.[139]

Six months later a fifteenth centre, and the only one in the social sciences, was added. Based at the University of Toronto, but involving researchers from nine other universities and two private agencies, it is focused on problems associated with an aging society. Significantly, this centre had also been recommended for funding by the international panel. Its belated approval added $5 million to the federal program.

The federal initiative has so far been well received within the university community. In no small part this results from its political sensitivity, marked by its reliance on international peer review combined with its incorporation of university researchers from across the country.

> "Networking" was an ingenious device for satisfying political needs and parochial interests without totally sacrificing scientific standards. The most eminent universities viewed "networking" as a way to ensure their continued prominence in research and the the less eminent institutions saw it as enhancing their opportunities for gaining financial support.[140]

The third significant federal move was the announcement in August 1987 that the Ministry of State for Science and Technology (MOSST) would be merged with the industry branch of the former Department of Regional Industrial Expansion to create the Department of Industry, Science and Technology. The subsequent legislation, first introduced in May 1988, was finally passed in June 1989, receiving royal assent in January 1990. In addition to the new department and minister, the legislation also created a minister of science, albeit as a junior portfolio within the larger complex.

All of this is part of a larger trend in science and technology policy, what Davis, Alexander and MacDonald call "the political incorporation of innovation systems." Faced with freer trade and increased global competition on the one hand, and an over-extended fiscal capacity on the other, the federal government is seeking to entice both universities and industry to join it in joint policy making. The immediate objective, these scholars argue, is to foster strategic alliances in scientific research and technological development. The longer term purpose is to avoid the economic marginalization that is the perceived lot of national losers in the increasingly knowlege-based competition that undergirds the emergent global economy:

> The transition of emphasis over the past decade, first from "science policy" to "technology policy" and now to the political incorporation of innovation systems, has steadily codified an industry-dominated policy agenda focused single mindedly on international industrial competitiveness.[141]

The federal government's renewed interest in science and technology, and in scientific research, stands in contrast to its policy of reducing the rate of increase in unconditional fiscal transfers for postsecondary education under EPF. This contrast just may contain the seeds of a more viable intergovernmental division of responsibilities, with the federal role directed primarily toward research, and the provinces responsible for the base funding of universities. If so, then the question of funding the indirect costs of research takes on even greater urgency. But the changes in public policy that have attended the transformation of postsecondary education since the crisis of the 1950s go further than this. That transformation was one in which universities have come to be almost totally dependent on public funding, while retaining a substantial measure of institutional autonomy. Thus, the delicate balance of university-government relations has been maintained, but not without increased stress.

Thus far, our attention has focused on the government side of that relationship, and in particular on its expression through public policy. We now shift that focus to the universities, and in particular to the evolution of their governing structures and management practices. Universities are not at all the institutions they were when they first prepared to face the crisis of the 1950s.

Notes

1. Zoltan Zsigmond, *Population and Enrolment Trends 1961-2001: The Canadian Case*. Ottawa: Statistics Canada, 1975, p. 31.
2. David K. Foote, "A Troubled Future? University Enrolments in Canada and the Provinces" in David M. Nowlan and Richard Bellaire, eds., *Financing Canadian Universities: For Whom and By Whom?* Toronto: Institute for Policy Analysis and Canadian Association of University Teachers, 1981, p. 39.
3. Ibid., p. 62. Emphasis in the original.
4. Howard R. Bowen, *The Costs of Higher Education*. San Francisco: Jossey-Bass, 1981, p. 20.
5. Ibid., p. 15.
6. Peter M. Leslie, *Canadian Universities, 1980 and Beyond: Enrolment, Structural Change and Finance*. Ottawa: AUCC, 1980, p. iv.
7. Ibid., p. 42.
8. Ibid., p. 319.
9. AUCC Brief to the prime minister, January 1981. Cited in Alan Earp, "The Association of Universities and Colleges of Canada and Established Programmes Financing" in Nowlan and Bellaire, eds., *Financing Canadian Universities*, pp. 180-82.
10. Leslie, *Canadian Univs.*, p. 379.
11. Richard Hatfield, "A Perspective on the Established Programmes Financing Arrangements" in Nowlan and Bellaire, *Financing Canadian Universities*, p. 172.
12. Magnus Gunther and Richard J. Van Loon, "Federal Contributions to Post-Secondary Education: Trends and Issues," in Ibid., p. 162.
13. J. Stefan Dupré, "Reflections on the Workability of Executive Federalism" in Richard Simeon, ed., *Intergovernmental Relations*. Toronto: University of Toronto Press, in cooperation with the Royal Commission on the Economic Union and Development Prospects for Canada and the Minister of Supply and Services Canada, volume 63 in the series, p. 24.
14. See Thomas Courchene, *Refinancing the Canadian Federation: A Survey of the 1977 Fiscal Arrangements Act*. Montreal: C.D. Howe Research Institute, 1979, pp. 23-4.

15. Canada, Department of Finance, *The Budget*, October 28, 1980, p. 13. Emphasis added.

16. Canada, Parliamentary Task Force on Federal-Provincial Fiscal Arrangements, *Fiscal Federalism in Canada*. Ottawa: Minister of Supply and Services, 1981, p. 1.

17. Ibid., p. 2.

18. Ibid., p. 71.

19. Ibid., p. 5.

20. Ibid., p. 196. Emphasis added.

21. Ibid., p. 78.

22. Ibid., p. 137.

23. Employment and Immigration Canada, Task Force on Labour Market Development, *Labour Market Development in the 1980s*. Ottawa: Minister of Supply and Services, 1981, p. 60.

24. Ibid., 157-9.

25. Parliamentary Task Force on Employment Opportunities for the 1980s, *Work for Tomorrow: Employment Opportunities for the '80s*. Ottawa: House of Commons, p. 85.

26. Canada, Department of Finance, *Fiscal Arrangements in the Eighties—Proposals of the Government of Canada*. Ottawa: November, 1981, p. 38.

27. Ibid., p. 39.

28. David B. Perry, "Fiscal Figures: The Income Tax Revenue Guarantee Element in Federal-Provincial Fiscal Arrangements," *Canadian Tax Journal*, vol. 30, no. 2 (March-April 1982), p. 299.

29. There was considerable irony in the positions taken by the federal and provincial governments over this issue. The federal government had always treated the guarantee as an integral component of EPF. The cash portion, for example, was administered by the appropriate line department rather than the department of finance. But in proposing its elimination, the federal government argued that it "was never intended to finance health care and post-secondary education." For their part, the provinces had consistently maintained that the value of the federal transfers for postsecondary education and health was overstated by the inclusion of the revenue guarantee. When the proposal was made to eliminate the guarantee, the provinces reversed their position and argued that it was an integral feature of the EPF arrangement.

30. In the event, the limits of 6 per cent and 5 per cent were applied to the GNP escalator, with the result that transfers did increase in line with increases in provincial population. The actual limits turned out to be about 7 per cent and 6 per cent respectively.

31. Canada, House of Commons, *Hansard*, April 4, 1984, p. 2729.

32. Ontario, *Interprovincial Comparisons of University Financing*, 1989, p. 10.

33. Commission d'étude sur les universités, *Coordinating Committee Report*. Quebec, May 1979, p. 52.

34. Commission d'étude sur les universités, Study Committee on the Organization of the University System, *Report*. Quebec: May 1979, Book One, p. 11.

35. Ibid., p. 59.

36. Ibid., p. 85. Emphasis in the original.

37. Ibid., pp. 86-9.

38. Camille Laurin, *L'avenir des universités québécoise: Vers une politique des universités*. February 3, 1981, mimeographed.

39. See AUCC, *University Affairs*, October 1981.

40. Conseil des Universités, *Quatorzième rapport annuel, 1982-83*, pp. 11-14.

41. Québec, *Règles budgétaires et calculs des subventions de fonctionnement aux universités du Québec*. Annual, 1982-83 to 1986-87.

42. OCUA, "System on the Brink," in *Sixth Annual Report, 1979-80*, p. 37.

43. OCUA, *System Rationalization: A Responsibility and An Opportunity*, September, 1980, p. 1.

44. Ibid., p. 22.

45. Committee on the Future Role of Universities in Ontario, *The Challenge of the '80s*, March 1981, p. 32.

46. Ibid., p. 42.

47. Ibid., p. 44.

48. Ontario, *The Report of the Committee on the Future Role of Universities in Ontario*, Toronto: Ministry of Colleges and Universities, 1981, p. 43.

49. Cited in The Commission on the Future Development of the Universities of Ontario, *Ontario Universities: Options and Futures*. Toronto, 1984.

50. An additional term of reference was added in April, when the Minister of Colleges and Universities asked the commission for specific advice on the restructuring of the university system in northeastern Ontario.

51. Ibid., p. 14.

52. Research intensity was measured as the proportion of total operating income represented by sponsored research. Three corridors were then proposed: ±4 per cent for universities with less than 10 per cent of their income from sponsored research (this category would have included

Brock, Laurentian, Trent, Wilfrid Laurier, Windsor, and York); ±6 per cent for those with from 10 per cent to 15 per cent of their income from sponsored research (Lakehead); and ±8 per cent for those with sponsored research constituting more than 15 per cent of total income (Carleton, Guelph, Ottawa, McMaster, Queen's, Toronto, Waterloo, and Western).

53. For a description of this plan, by which a student's obligation to repay a loan is tied to his or her future income and administered through the personal income tax, see David Stager, *Accessibility and the Demand for University Education*. Discussion paper prepared for the Commission on the Future Development of the Universities of Ontario, 1984, pp. 31-34.

54. In the event, the cut was reduced to $1 million, with an additional $1 million deferred to the following year.

55. MPHEC, *Second Annual Report*, 1976-77, p. 34.

56. MPHEC, *In Process: Three Year Regional Planning for Higher Education in the Maritime Provinces*. Fredericton, 1977, p. 31.

57. MPHEC, "Financial Plan, 1978-79." Cited in *Balancing Needs and Resources: 1978 Update of the MPHEC's Evolving Three Year Regional Planning for Higher Education in the Maritime Provinces*. Fredericton, 1978, p. 25.

58. The 25/75 division represented a policy objective of the commission and not the function of a formula. In fact, the enrolment portion of each university's grant was calculated by multiplying weighted enrolment by a dollar value per student, as in the Ontario formula. By design, the commission adjusted this value so that the total amount allocated under the enrolment-driven portion represented approximately 25 per cent of the total funds available. The proportions would vary for individual institutions, of course. Where enrolment was increasing faster than for the system as a whole, the enrolment portion would exceed 25 per cent.

59. Nova Scotia, *Report of the Royal Commission on Post-Secondary Education*. Halifax: Queen's Printer, 1985.

60. See Ontario, Tripartite Committee on Interprovincial Comparisons, *Interprovincial Comparisons of University Financing*, annual.

61. Ibid., pp. 125-30.

62. The CAUT was particularly active in organizing opposition to the restraint program as it affected the universities. See, for example, Donald C. Savage, "The Shame of British Columbia" in CAUT *Bulletin*, December 1983.

63. Clause 2 of the Act provided that:

> . . . where a public sector employer
> (a) considers that there
> (i) is insufficient work, or
> (ii) are insufficient current operating funds budgeted to maintain current levels of employment,

(b) makes a change in the organizational structure of the employer,

(c) discontinues a program, activity or service of the employer, or

(d) reduces the level of an activity or service of the employer,

the public sector employer may terminate the employment of an employee in accordance with the regulations.

(32 & 33 Eliz. II, Chap. 26, S.B.C.).

64. See Valerie Shore, "B.C. Bill Shocks," AUCC, *University Affairs*, August-September 1983.

65. *Edmonton Journal*, March 19, 1980.

66. Ibid., June 15, 1985.

67. Saskatchewan, Legislative Assembly, *Debates and Proceedings*, April 20, 1983, p. 1266.

68. British Columbia, Provincial Access Committee, *Access to Advanced Education and Job Training in British Columbia*, September 1988, p. 16.

69. Ibid., p. 17.

70. Cited in AUCC, *University Affairs*, May, 1989. B.C. had actually acquired a fourth university in 1985 when the private, denominational, Trinity Western College was granted full university status.

71. Nova Scotia, Royal Commission on Post-Secondary Education, *Report*, p. 159.

72. Ibid., pp. 163-4.

73. Council of Maritime Premiers, *Press Release*, 67th Session, July 6-7, 1987.

74. Nova Scotia, *Speech from the Throne*, February 23, 1989.

75. Nova Scotia, Order-in-Council 89-692, June 20, 1989.

76. Québec, Groupe de travail sur la révision des fonctions et des organisations gouvernementales, *Rapport*, 1986.

77. Two books have subsequently been published, based on arguments and evidence presented to the legislative committee: See Denis Bertrand, *Crise universitaire au Québec: Sous-financement ou mauvaise gestion?* Montréal: Editions Sciences et Culture, 1988; also Laurent Laplante, *L'université: Questions et défis*. Québec: Institut québécois de recherche sur la culture, 1988.

78. Québec, Groupe de travail sur l'évolution de l'université du Québec, *Rapport*, June 29, 1987.

79. Statutes of Quebec, 1989, Chapter 14.

80. Cited in Ontario, Commission on the Future Development of the Universities of Ontario, *Ontario Universities: Options and Futures*.

81. Ibid., p. 31. Perhaps to signify that some change in function had occurred, the commission proposed that the name of the council be changed to the Council for University Affairs in Ontario.

82. John O. Stubbs, *The Report of the External Advisor to the Minister of Colleges and Universities on the Future Role and Function of the Ontario Council on University Affairs and its Academic Advisory Committee*, July 1988, p. 2. Since the early 1980s the OCUA had assumed responsibility for advising the government on such matters as funding new undergraduate professional or similar programs, and authorizing out-of-province institutions to offer degree programs in Ontario.

83. Ibid., p. 5.

84. Québec, *Règles budgétaires at calculs des subventions*.

85. AUCC, *University Affairs*, June-July 1985.

86. Ontario, *Debates and Proceedings*, October 17, 1985, p. 831.

87. OCUA, "Advisory Memorandum 82-XV." Cited in *Ninth Annual Report, 1982-83*, p. 164.

88. OCUA, "Advisory Memorandum 86-VII." Cited in *Thirteenth Annual Report, 1986-87*.

89. OCUA, "Advisory Memorandum 85-VII." Cited in *Twelfth Annual Report, 1985-86*, p. 95.

90. Ontario, *Debates and Proceedings*, May 26, 1986, p. 835.

91. OCUA, Advisory Memorandum 87-XV. Cited in *Fourteenth Annual Report, 1987-88*, p. 216.

92. Hon. Gregory Sorbara, Minister of Colleges and Universities, to Mrs. Marnie Paikin, Chairman of OCUA. Cited in OCUA, *Fourteenth Annual Report, 1987-88*, p. 236.

93. Cited in AUCC, *University Affairs*, February 1989.

94. J. Stefan Dupré, *Post-Secondary Operating Grants in Alberta: An Equity Study*. Edmonton: Queen's Printer, 1987, pp. 34-5.

95. Ibid., p. 35.

96. As subsequently allocated, three-quarters of this was divided equally among all universities on the basis of enrolment, while one-quarter went to those universities whose base was below the provincial average. Conseil des universités, *Le Financement du système universitaire pour l'anee 1987-88*. Québec: 1987, pp. 12- 18.

97. Hon. Gérard D. Levesque, "Discours sur le budget." Québec, *Débats de l'Assemblée nationale*, April 30, 1987, p. 7028.

98. Québec, *Révision des bases et du niveau de financement des universités du Québec: Hypothèse pour fin de consultation*. October 1988.

99. Of the $60 million for 1989-90, $20 million went to correct inequities, $15 to general base adjustments, and $25 million to the indirect costs of sponsored research.

100. Alan K. Adlington, *A Review of the Commission's Funding Formula*, December 1, 1988, p. 3.

101. Ibid., p. 13.

102. Ibid., p. 13.

103. Council of Maritime Premiers, *Press Communiqué*, April 3, 1989.

104. The MPHEC's plan is to call for such statements from universities in New Brunswick and Prince Edward Island during 1990-91.

105. Nova Scotia, *Speech from the Throne*, February 22, 1990.

106. See Canadian Committee on Financing University Research, *Direct Funding of University Research by the Federal and Provincial Governments*, 1979.

107. John Macdonald, *The History of the University of Alberta: 1908-1958*. Edmonton: The University of Alberta, 1958, p. 31.

108. In 1973 the executive heads of the universities of Montreal, Laval, Sherbrooke, and McGill proposed that the INRS be dissolved and its constituent units assigned to other universities. In response, the Université du Québec withdrew from CREPUQ, not rejoining until 1976. See Jean-Pierre Fortin, *Incidences de la Democratisation de l'Enseignement Supérieur sur l'Autonomie des Etablissements Universitaires Québécoise*. Unpublished M.A. thesis, Université Laval, 1986, pp. 92-3. See also AUCC, *University Affairs*, April 1973.

109. Quebec, *Towards a Scientific Research Policy for Québec*. Québec: Editeur officiel, 1979, p. 47.

110. Ibid., p. 108.

111. Quebec, *A Collective Project: statement of policy objectives and plan of action for the implementation of a scientific research policy for Québec*. Editeur officiel, 1980.

112. Fonds FCAR, *Rapport annuel*, 1985-86, p. 11. Emphasis added.

113. Ontario, *Debates and Proceedings*, April 22, 1986, p. 7.

114. Ibid., p. 4.

115. The seven projects were as follows: the Centre for Advanced Laser and Lightwave Research at Toronto; the Centre in Space and Terrestrial Science involving York, Toronto, Waterloo and Western; the Centre for Integrated Manufacturing involving McMaster, Toronto, Waterloo, Western, Carleton and Queen's; the Centre for Groundwater Research at Waterloo; the Centre in Information Technology involving Waterloo, Toronto, Western and Queen's; the Centre for Materials Research, involving Queen's, McMaster, Toronto, Waterloo and Western; and the

Telecommunications Research Institute involving Ottawa, Carleton, Queen's and McMaster.

117. Ontario, *Debates and Proceedings*, November 3, 1987, p. 6.

117. A.W. Johnson, *Giving Greater Point and Purpose to the Federal Financing of Post-Secondary Education and Research in Canada*. A report prepared for the Secretary of State of Canada, February 15, 1985, p. 5. Emphasis in the original.

118. Council of Ministers of Education, Canada, *Principles for Interaction: Federal-Provincial Relations and Postsecondary Education in Canada*, October 1985, p. 1.

119. Canada, Department of Finance, *Securing Economic Renewal: The Budget Speech*, May 23, 1985, p. 18

120. Between 1985-86 and 1987-88, for example, the cash portion of EPF dropped from 48 per cent to 46 per cent of the total entitlement. See Department of the Secretary of State, *Federal and Provincial Support to Post-Secondary Education in Canada: A Report to Parliament, 1987-88*. Ottawa: Minister of Supply and Services, 1989, p. 61.

121. Canada, Senate, Standing Committee on National Finance, *Federal Policy on Post-Secondary Education*. Ottawa: Minister of Supply and Services, 1987, p. 95.

122. Ibid., pp. 32-3.

123. Cited in AUCC, *University Affairs*, May 1987. See also CAUT *Bulletin*, April 1987.

124. Canada, *Hansard*, October 1, 1986, p. 12.

125. Confidential interview.

126. National Forum Secretariat, *Proceedings: National Forum on Post-Secondary Education*, Saskatoon, October 25-28, 1987. Halifax: Institute for Research on Public Policy, 1987, pp. 116-17.

127. J. Stefan Dupré, "Reflections on the Workability of Executive Federalism," pp. 22-3.

128. Canada, Department of Finance, *The Budget Speech*, April 27, 1989. The specific figures for anticipated reductions in the transfer are cited in *The Globe and Mail*, July 20, 1989.

129. Canada, Department of Finance, *The Budget*, February 20, 1990, p. 78. The plan, as announced, will see EPF transfers increase again beginning in 1992-93 at the pre-1990 rate of GNP less 3 per cent.

130. CMEC, *Annual Report, 1988-89*.

131. Brian Segal, "Retrospect on the Forum." *The Canadian Journal of Higher Education*, vol. xx, no. 1 (1990), p. 1.

132. Council of Ministers of Education, Canada, *Annual Report*, 1979-80, p. 1.

133. Canadian Association of University Business Officers, *Report of the Study on the Costs of University Research*, August 1982.

134. A.W. Johnson, the Bovey Commission, and the Senate Standing Committee on National Finance all stressed the importance of federal funding of the indirect costs of research, while Stefan Dupré urged the Government of Alberta to press for the implementation of the Senate committee's recommendations, "in its relations with the Government of Canada and its own research funding practices." See J. Stefan Dupré, *Post-Secondary Operating Grants in Alberta*, p. 94.

135. AUCC, *University Affairs*, September 1986.

136. Canada, *Strengthening the Private Sector/University Research Partnership: The Matching Policy Rules*.

137. Senate, Standing Senate Committee on National Finance, *Twenty-Sixth Report*, July 27, 1988, p. 47:16. Emphasis in the original.

138. Canada, *Networks of Centres of Excellence: Report of the International Peer Review Committee and Report of the Minister's Advisory Committee*. Ottawa, 1989, Appendix A.

139. Ibid., Appendix B.

140. Robert S. Friedman and Renee C. Friedman, "The Canadian Universities and the Promotion of Economic Development." *Minerva*, vol. xxviii, no. 3 (Autumn 1990), p. 289.

141. Charles Davis, Jon Alexander, and Leo MacDonald, "The Political Incorporation of Innovation Systems: Collective Action and Canadian Science and Technology Policy." *Reseaux revue interdisciplinaire de philosophe morale et politique*, Combined nos. 58-60, 1990, pp. 74-5.

Part II

UNIVERSITIES

7

Democracy and Participation

The crisis that faced Canadian universities after 1955 was fundamentally a crisis of numbers. In due course, governments responded by providing the resources necessary to meet the rising demand for places. In the process, universities became ever more surely public institutions, all the while retaining a marked independence from the full reach of public policy. Change and tension were not limited to relationships between universities and governments, however. Indeed, a virtual revolution took place in the internal structures and operations of the universities themselves. No event marks more clearly the beginning of this change, or reveals more starkly the bitterness that would sometimes attend it, than the attempted dismissal of Professor H.S. (Harry) Crowe from United College in Winnipeg.

The Crowe Affair

The mostly pathetic chain of events, misunderstandings, and intrigues which constitute the Crowe affair took place during 1958 and 1959, but the origins of that affair go back much earlier, and its consequences lasted much longer.

United College was the product of the merger in 1938 of Manitoba (Presbyterian) and Wesley (Methodist) colleges, a merger bequeathed by the earlier union of the parent churches which, with the

Congregationalists, formed the United Church of Canada in 1925. By the mid-1950s denominational colleges were standing on rather shaky ground, plagued by financial insecurity, forced to offer relatively low salaries, and unsure that their very *raison d'être* was any longer appropriate to the changing times. United was no exception to this pattern, and the decision by the board of regents to appoint an active parish minister, Rev. W.C. Lockhart, as principal of the college in 1955 was seen by some at least as a regressive step. Opposition to Lockhart's appointment was centred in the history department, a department comprising Professors Crowe, Kenneth McNaught, and J.H.S. Reid.[1] These three had also been instrumental in the founding of the Canadian Association of University Teachers (CAUT) and its local branch, the United College Association.

The CAUT was still an infant organization. It had no national office and no full-time staff:

> Everything about the CAUT at the outset was strictly amateur. The constitution which covered less than a page was so lacking in guidance that nearly anything was legitimate. The flexibility was delightful. All of the work was done on a voluntary basis and it was amazing how well and how promptly it got done.[2]

The association met annually as part of the general gathering of the learned societies, while its administrative centre was temporarily located in the university office of its president. Significantly, the president at the time of the Crowe affair was Clarence Barber of the University of Manitoba, placing the CAUT almost on the doorstep of United College.

Crowe was on leave from United during 1957-58, teaching at Queen's. In March 1958 he wrote to a colleague at United, W.A. Packer. The letter, critical of the principal and the denominational character of the college, never reached its intended recipient, but turned up a month later in an envelope addressed to Lockhart. Lockhart passed the original to Packer, retaining a photocopy, and wrote to Crowe advising him that the letter "... is a profoundly disturbing document.... After reading it I have had to regretfully come to the conclusion that personally you have no sympathy with the avowed purposes of the College, and that you have no respect for or loyalty to the administration."[3]

With rumours flying, the board met on July 2. Without having seen the offending letter, but apparently moved by the subsequent belligerence of Professor Crowe, the board decided to terminate Crowe's appointment at the end of 1958-59, giving him a year in which to secure alternative employment. Two weeks later the faculty association of Queen's, but not of United, requested the CAUT to investigate the matter, and the executive of the CAUT responded quickly by appointing a three-person committee consisting of Professors V.C. Fowke of Saskatchewan, M.W. Johns of McMaster, and David Slater of Queen's. The CAUT's haste and inexperience in such matters subsequently exacted a heavy price in terms of the credibility and objectivity of the committee. The board of regents objected to the presence of someone from Queen's, on the grounds of possible bias, and Slater was quickly replaced by Professor Bora Laskin of Toronto. Then, just as the committee was to begin its investigation in October, it was discovered that Professor Johns had been present when the General Council of the United Church considered the matter and voted to support the decision of the board of regents. Johns was asked to withdraw by the CAUT executive. When it became known that the committee intended to proceed with only two members, the board countered with a proposal that a committee of five be established, two to be appointed by the CAUT, two by the board, and a fifth person named by the four others to chair the committee. Surprisingly, the CAUT rejected that proposal and the board thereupon withdrew its previous offer to cooperate. With that, the CAUT committee embarked on a wholly one-sided investigation.

Meanwhile, Crowe had returned to Winnipeg and taken up his teaching position for the final year. Then, in September, news of the events reached the media, with predictable results:

> Every statement brought forth one in reply; every letter to the editor provoked an answer, and every answer spurred a riposte. Each passing week increased the depth of bitterness. Within the college, the 'side' one was on at first depended to a great extent upon whom one shared an office with, or upon whom one spoke to first upon returning for the autumn term, or, if a student, upon whose class one was in, so personal and emotional was the struggle.[4]

To make matters worse, a copy of Crowe's original letter was sent to the board by an official of the United Church. When members of the board were made privy to its contents on September 9, their response was both swift and ill-advised. They voted to dismiss Crowe a second time, effective immediately.

The CAUT investigative committee submitted its report in late November, concluding "that Principal Lockhart and the Board of Regents were respectively tactless and arbitrary in their handling of a situation which they themselves had created."[5]

Such a conclusion was possible only on the grounds that the "situation" at issue was not Crowe's loyalty to the college but rather Lockhart's use of private mail and the board's dismissal of a tenured faculty member without a full hearing. Professor Crowe, the report continued, should be invited to resume his teaching responsibilities and the board should provide assurance that academic freedom and tenure would henceforth be assured.

The Crowe affair was not to be so easily resolved. The dénouement of the sorry tale unfolded through the remainder of the academic year. Shortly after the CAUT report was released, three other faculty members submitted letters of resignation, including Professors McNaught and Reid of the History Department (the third was Professor Richard Stingle of the English department). All three cited the injustice done to Crowe, but also the recent appointment of a dean who was the clear choice of the faculty but was known to be unsympathetic to Crowe. The board accepted their resignations.

Mediation almost resolved the immediate issue in early December, but Crowe rejected the board's offer of reinstatement without an admission of wrongdoing on its part. With that, Lockhart submitted his own resignation. This the board did not accept. Then, on December 15, following the intervention of Hon. Gordon Churchill, a member of the Diefenbaker cabinet and also of United's board of regents, the board capitulated and agreed to reinstate Crowe. They did not, however, reconsider the resignations of the three other faculty members, and so the controversy continued. In the event, Crowe himself submitted his own resignation in March, and by the end of term 10 others had resigned in protest. In total, United lost 14 of its 50 faculty members because of the Crowe affair.[6] Lockhart, however, was persuaded to stay on, and United quickly recovered. Neither United College nor Canadian universities generally would ever be the same again, however.

The Crowe affair had at least three lasting consequences for Canadian universities. First, it set the CAUT firmly in the role of defender of faculty interests, primarily against action by governing boards and senior administrative officers with whom the relationship of the CAUT and its local affiliates would become increasingly adversarial. This was confirmed within the year when the CAUT appointed its first full-time secretary, none other than Dr. J.H.S. Reid, who had played a central role in the Crowe affair.[7] Despite some questionable tactics, the CAUT had clearly scored a major victory. Not only had it succeeded in turning a question of loyalty to the religious principles of a denominational college into an issue of invasion of privacy and arbitrary dismissal, but in the process it also managed to transform Harry Crowe into a folk hero, Canada's first true martyr to the principle of academic freedom.

The second consequence was to place increased pressure on universities and colleges to establish more precise terms and conditions of employment, including procedures for promotion, tenure and dismissal. Ironically, one of the first institutions to respond was United College itself whose faculty association had, by May of 1959, successfully negotiated "a detailed faculty contract" with the board.[8]

Finally, and perhaps most significant in the long run, the Crowe affair provided added impetus to a campaign already gaining ground among Canadian academics. The immediate objective of that campaign was faculty membership on governing boards. The question underlying that objective was who would govern the university.

The Campaign for Participatory Government

The study of university government in Canada, and the consequent plea for increased faculty participation, began in earnest with Donald Rowat's work in the mid-1950s.

Rowat's Study. Based on a 1955 survey of legislative charters, calendars, and board by-laws, Rowat prepared a comparative analysis of the composition of governing boards, senates, and faculty councils within the 35 member institutions of the National Conference of Canadian Universities (NCCU).[9]

In subsequent articles, he drew a number of pointed conclusions from this analysis.[10] He noted, for example, that "... a considerable number of Canadian universities [eight] have on their Senates a majority who are not members of the teaching or administrative staff."[11] It was the absence of faculty members on boards of governors, however, that particularly vexed him. Indeed, he observed: "... in the majority of non-Catholic universities, the controlling legislation specifically prohibits the teaching and administrative staff . . . from membership on the Board.[12]

Rowat saw at least three weaknesses in the government of universities by non-academic boards, a practice he attributed directly to the recommendations of the Flavelle commission and indirectly to the established practice of American public universities. First, but citing no evidence to support the point, he argued that the vocational and non-academic interests of board members sometimes constrained the academic mission of universities. Second, the structure virtually guaranteed poor communication between faculty and board. Third, and perhaps most important, faculty came to be treated as employees of the board rather than as full members of the university. In this, he singled out local faculty associations for particular criticism, suggesting that their activities "may actually consolidate the relation of master and servant . . . . [They] have concerned themselves mainly with the principle of negotiation on salaries and working conditions, and have acted much like any other organization of teachers or employees."[13]

Rowat suggested a more effective balance between faculty interests and public responsiveness would be found in ". . . a governing board elected half by faculty, and half by government and graduates . . . ."[14]

The proposal for direct faculty participation on governing boards was taken up with increasing gusto by Canadian academics. At the time only St. Francis Xavier actually had faculty members, elected by the faculty, on its board (three out of a total board membership of 30). And despite the prohibition of such membership in the charters of most universities, several senates and faculty associations established committees to review their internal structures and procedures and, sometimes, their legislative charters as well. And not surprisingly, the CAUT came gradually to champion the cause of faculty self-government.

CAUT and Faculty Self-Government. The idea of faculty participation on governing boards was given early endorsement by a visiting Scottish academic. Following a tour of Canadian universities during 1956-57 Charles Stewart, secretary to the University of Edinburgh, made the following observation: "Having found in the Canadian Universities so much to admire—so much indeed to envy—I was all the more disturbed to find that the element of academic participation in the supreme government of Universities was practically non-existent."[15]

The CAUT *Bulletin* took up this theme, offering the editorial opinion in December 1957 that: "... the Canadian university teacher believes that our universities would be better run if members of their teaching staffs were able to play a more creative role in their government."[16]

In April 1959, V.C. Fowke added a theme that would become central to the emerging debate: that the board of governors was based on an inappropriate copy of the business corporation and should be replaced by structures more appropriate to the university as "... a self-governing community. . . . "[17] Faculty should not only be represented on their boards, he argued, but they should also have a significant role in financial management.

Fowke's theme was underscored a year later by J. Percy Smith of the University of Saskatchewan. He went further in his proposed reforms, however, suggesting not only that senior officials, including the president, should be elected by the faculty for fixed terms, but also that the board of governors should ideally become an executive committee of the faculty, elected by them. Recognizing that the latter proposal might be too radical for Canadians, he was prepared to settle for Rowat's earlier suggestion that half the membership of the board be elected by faculty.[18]

Rowat, meanwhile, had returned to the fray, this time chairing a CAUT committee on university government. The committee's report was submitted to the association's executive council in June 1960. Its preferred reforms were even more drastic than Smith's, including transfer of most of the board's powers to the senate. Failing that, boards should be reconstituted so that academic staff made up a majority.[19] That this was too rich for many Canadian faculty members was tacitly admitted by the CAUT. While the principle of greater faculty participation was endorsed by the executive council, the report itself was accepted only "as a basis for discussion." Indeed, the CAUT *Bulletin* editorialized that with respect to the principle of faculty self-government and a host of subsidiary questions, "... the academic profession in Canada has a special and pressing obligation to make up its mind."[20]

A month later, W.P. Thompson, retired president of the University of Saskatchewan, was invited to respond to J. Percy Smith's argument. Finding much to praise in the existing structure of university government, and accusing Smith of preoccupation with the formal as opposed to the actual role and power of the board, Thompson made a point that might well have attracted more attention than it received. In suggesting that budgetary decisions above the departmental level should not be made by faculty members, he observed that:

> Faculty members do their best to avoid decisions which may injure particular interests or persons.... And for the welfare of the institution such decisions must be made. It is better to leave such decisions to experienced, thick-skinned administrators who expect to have to make them.[21]

The CAUT was undeterred, however. Rejecting Thompson's argument that boards of governors were generally serving the university well, an editorial in the same issue concluded that:

> Canadian universities are not faced with the question of whether or not they need reform. They obviously do. The question is not even whether reform is possible, for progress is denied whose who will not attempt the impossible. **The question is where to begin.**[22]

W.L. Morton picked up on the Smith-Thompson debate, suggesting implicitly that Thompson might be correct in his assessment of the decision-making capacity of faculty members while laying the blame for this, as well as other evils, on the existing system of university government:

> Thus the ultimate evil in the Canadian system is that the scholar, alienated from those bodies which make the decisions under which he works, and treated as someone essentially irresponsible and not to be trusted with authority, **becomes** irresponsible and not to be trusted with authority.[23]

By April 1961 the CAUT *Bulletin* was calling this "a debate in the dark." Without a thorough investigation, the editor argued: "[t]here is no... way of finding out whether it is Professor Smith or President Emeritus Thompson who pictures conditions "not as they are, but as they might be."[24]

In fact, the editorial noted that the CAUT council had been searching for outside funding for just such an investigation for over a year. It would be several more years before those efforts proved successful. In the meantime, the debate in the dark continued, the case for faculty self-government being stated eloquently in a collection of essays by leading Canadian scholars edited by Professor George Whalley of Queen's, entitled *A Place of Liberty*.[25]

A Place of Liberty. The academics represented in Whalley's book constituted a veritable "Who's Who" of leading CAUT activists and supporters.[26] Their contributions were prescriptive rather than analytical, and at that contained little that was new. Indeed, most of the ideas and several of the articles had previously appeared in the columns of the CAUT *Bulletin*. Nonetheless, taken together the essays constituted a thoughtful and forceful plea for reform of university government. The authors, for the most part, eschewed radical solutions and some, particularly Frank Underhill, W.L. Morton and Murray Donnelly, were profoundly conservative in their views of the university and their prescriptions for reform.

According to the editor, all of the contributors agreed on four "cardinal considerations upon which any reform of university government and administration should turn." These considerations were, first, that the judgment of academic staff should influence all decisions, that excessive authority was bestowed by charter upon governing boards, that the separation of scholars and administrators should be ameliorated and, finally, that such reforms that were put in place should be confirmed by the formal amendment of university charters.[27]

Modest as this common agreement was, W.L. Morton was at once perceptive and prophetic in suggesting the likely alternative:

> The only practical alternative, the one towards which Canadian universities are now tending, is the creation of a system of countervailing forces such as exists in American universities. **The faculty would simply organize to balance management.** The C.A.U.T. has already come into existence because of this tendency; it would be a tragedy if it should cease to be a professional organization . . . and became purely an agency for collective bargaining.[28]

Murray Donnelly went so far as to reject out of hand the proposal that faculty should push for complete self-government. Such a proposal, Donnelly argued, ". . . raises the problem of university government in a dramatic way but makes little or no contribution to a solution."[29] ". . . it seems unlikely, considering the polyglot nature of a modern university, that a Board elected directly from its faculty members would be more than a congress of hostile ambassadors from entrenched interests."[30]

Whalley was able to extract six proposals from the variety of opinion and prescription contained in the book. First, the "monarchic-paternalistic" position of the president should give way to a closer relationship between faculty and board. Second, the "centre of gravity" in university government should shift closer to the academic senate. Third, the composition of boards should be modified "to include comprehensive representation of the academic community." Fourth, the authority of boards should be redefined to more closely approximate that which they actually exercise. Fifth, senior administrative officers should be selected by election. Sixth, these reforms should be codified and confirmed by formal resolution or, if necessary, by legislative amendment.[31]

Temperate as these propositions were, they arose nonetheless from a view of the university that was identified almost entirely with faculty interests. N.A.M. Mackenzie, recently retired as president of the University of British Columbia, countered that while faculty interests were critical, even central, to the welfare of the university, they nonetheless had to be balanced by concern for the interests of students and the public. Moreover, government by the faculty invited potential conflicts of interest. Mackenzie attributed the shortcomings of *A Place of Liberty* to the professional backgrounds of the authors: "All of those who write are or have been professorial members of university staffs; few, if any, of them have had much experience of university administration, save on the 'receiving end'."[32]

Meanwhile, the objective study for which the CAUT, and particularly its executive secretary J.H.S. Reid, had been working since 1960 was slowly but surely taking shape. By June of 1962 the NCCUC had agreed to co-sponsor the study and over the subsequent year terms of reference were worked out by a joint steering committee and a grant of $50,000 was obtained from the Ford Foundation. Two commissioners were appointed in the fall. Sir James Mountford, just retiring as vice-chancellor of the University of Liverpool, was to be senior commissioner, along with Robert Berdahl, a political science professor in San Francisco State College and author of a comprehensive study of university-government relations in Britain.[33] The two commissioners held their first meeting in November 1963, but illness forced Sir James to resign shortly thereafter. It was July 1964 before Sir James Duff, retired vice-chancellor of the University of Durham, was named to replace him. The Duff-Berdahl commission finally began its work in the fall of 1964, visiting Canadian universities and provincial governments in the winter of 1965, and reporting in March 1966.

The Duff-Berdahl Report

The two commissioners brought healthy doses of wisdom and common sense to their task. Acknowledging that tension was endemic to a lively university, they nonetheless observed that it had reached dangerous proportions in Canada. Their general conclusion was unequivocal: "we strongly believe that the present systems need reform."[34]

Having considered the alternatives, the commissioners quickly and enthusiastically embraced bicameralism as the appropriate model for university government. Complete faculty self-government failed on two counts, they argued. Not only was it incapable of reforming itself, as the experiences of Oxford and Cambridge confirmed, but it also reflected an utter disregard for the public interest. At the other extreme, direct state control, even with safeguards to protect academic freedom, was summarily dismissed. The third option, a unicameral council combining the responsibilities of both board and senate, was rejected on grounds that would turn out to be very perceptive: ". . . in trying to do the work of both Board and Senate, the Senate functions may receive too little attention . . . ."[35]

But if Duff and Berdahl endorsed the bicameral model, they were highly critical of its operation in Canadian universities. The central problem, they argued, was that most senates were ineffective. The body that should be "the central education forum of the university" was in most instances too large and contained too many non-academic members. In consequence, senates tended not only to be dominated by senior administrative officers, but also to deal with matters of a mostly formal nature. These weaknesses were not the fault of any of the participants; rather, "it is the system which is at fault." Moreover: ". . . we have formed the firm opinion that the ineffectiveness of Senates is the major cause of the tension and disharmony that exist today, not in all but in far too many Canadian universities."[36]

Proposed reforms included reducing the size of senates to not more than 50 members, mostly elected by and from the faculty, removing outside members save a few appointed by the board, and expanding the terms of reference to encompass academic planning and the tendering of advice and recommendations to the board "on any matter of interest to the university."[37] The commissioners also cautioned against the intended role of the senate being usurped by the faculty association, "a body of protest rather than of achievement. . . ."[38]

Although focused on the senate, the commission's reforming zeal extended to other bodies as well. And in almost every instance, the consequences were spelled out in proposals for a more democratic and responsible management structure. The board of governors, for example, while retaining ultimate legal and financial authority, should be more broadly representative of the wider community and, more important, should include faculty members elected by and from the reformed senate (although faculty ought not to constitute more than 25 per cent of the total membership). The commission did not propose to include students on the board, preferring instead the practice within Scottish universities, and Queen's, whereby students elect a non-student rector, who does enjoy full membership on the board.

The democratic impulse extended also to the administration. Here, the commissioners were nothing if not egalitarian in their criticisms. On the one hand, they chided faculty groups for wasting their time in opposition to the appointment of vice-presidents and other senior administrators: "Enlarged administrative staff is an inevitable consequence of the growth in size and complexity of universities, and faculties would do better to focus their concern on the factors which can be controlled . . . ."[39]

On the other hand, they were obviously not overly impressed with the quality of administrative staff: "To speak candidly, but not unkindly, the administrative groups that we met at some universities were overworked men, somewhat set in their ways and too busy to have time for forward planning and new ideas."[40]

Rejecting outright election of academic administrators, they nonetheless proposed that faculty should have a major role in their selection, and that terms for chairpersons and deans, although not for presidents, should be both limited and short.

Reaction to the Duff-Berdahl report was mostly enthusiastic, especially among academics. It even attracted international comment. Sir Eric Ashby, for example, suggested that it should be required reading for all those entering "the corridors of academic power": "Beneath its disarming simplicity and its urbanity there are to be found some of the subtle secrets which distinguish a well governed university from one which is mis-governed."[41]

Donald Rowat agreed, arguing that "the important thing now is to get it into the hands of the people who should read it . . . ."[42] Not only was the report read, it quickly set the agenda for the wholesale reform of university government and management. By the end of 1966 at least a dozen universities had commenced comprehensive reviews of their charters and internal structures and procedures, with the Duff-Berdahl report as the acknowledged stimulus. A year later, Edward Monahan reported that ". . . only a handful of Canadian universities . . . have made no significant reforms in the structure of their internal government."[43] Publication of the Duff-Berdahl report, he concluded, ". . . marks a watershed in thinking about university government in Canada."[44]

The Pattern of Reform

Participating in a conference on the Duff-Berdahl report organized by the University of Toronto in October 1967, Sir James Duff commented on the speed with which the report's principal recommendations had been taken up and implemented: "The walls of Jericho appear to have fallen with but one blast of the Duff-Berdahl trumpet."[45]

He went on to explain that this had happened primarily because the report reflected views that were already taking shape in most Canadian universities. In this, however, the commissioners had misread one signal and, in consequence, ran head-on into opposition from a segment of the university community. It was one thing to endorse the principle of participatory government; it was quite another to assume its application could be limited to faculty members. As the AUCC's *University Affairs* observed, "the dust from the 'fall of the walls of Jericho' had hardly settled before students began to follow the faculty in demanding a greater role in university government."[46] Students were not content with the proposed election of a rector, but quickly demanded membership on boards, senates, and most internal councils and committees. Indeed, at the height of their campaign for participation, a frequent demand was for parity with faculty. And while they did not achieve all of their demands, student politicians proved themselves to be more than a fair match for their faculty counterparts.

With this additional element, the pattern of reform ushered in by the Duff-Berdahl report contained three main themes which together quite transformed the government and management of Canadian universities. The first of these followed directly from the central argument of the report that bicameralism, while still appropriate in principle, had in practice to be reconciled with the requirements of the modern university.

Modernizing Bicameralism. The Duff-Berdahl report had set two principal tasks for the modernization of bicameral government: strengthening the senate as the senior academic body, with a majority of elected faculty members, and broadening representation on the board, with a minority of elected faculty members. Student representation was quickly added to the agenda, and considerable energy also went into securing open meetings of the two governing bodies. All of these desiderata were secured in most universities within the decade following release of the report. The manner in which this was accomplished, however, varied widely.

The University of Western Ontario, for example, had initiated steps that would lead to significant changes in its governing structures even before the Duff-Berdahl report was completed. The board and senate established a joint committee to study the issue, and in the meantime the board invited three faculty members to sit as observers at board meetings, while the senate extended a similar invitation to two students. By the fall of 1966, within months of the publication of the Duff-Berdahl report, Western's senate and board had both approved changes in the university charter for submission to the provincial legislature.

Under the proposed changes, which the president described as "a legal version of the Duff-Berdahl Report,"[47] the senate was to be reduced in size from 90 to 70, with 37 elected faculty members and three elected students. For its part, the board membership was to be increased from 19 to 26, with four faculty members to be elected by the senate. The proposed changes also incorporated the principle recommended by Duff-Berdahl whereby students would elect a member of the board, but not one of their own number.

The proposed changes to Western's charter were duly introduced into the provincial legislature as a private bill in February 1967, sponsored by the local member. When the matter came before the private bills committee, however, the students presented a strong case for direct election to the board and managed to sway the committee, despite its government majority, to their point of view. The committee proposed not only to remove the barrier to the election of a student, but also to increase the number of students on the senate from three to five.[48] These amendments caused something of a stir not only within Western but also among university officials generally. The upshot was that when the bill reached the full legislature for clause-by-clause consideration, the government moved to delete the amendments and restore the bill to its original shape. The occasion provided an interesting insight into the Ontario government's view of the legal status of universities:

> The point is, that the formal way in which a university makes application to alter its charter, to change its government, in any way that it sees fit, is through an application by private bill to this Legislature, with the exception of the University of Toronto which is a government institution and would be altered in effect by a government bill.[49]

At the same time the government was careful not to exaggerate the private status of universities, and specifically asserted the right of the legislature to make amendments to university charters "... if it were a matter of great public necessity ...."[50] The charter amendments, as proposed by the university, were finally passed after lengthy debate on the evening of June 14, 1967. The legislature was prorogued the next afternoon.

When the dust had settled the student body of Western proceeded to elect their representative to the board. The upshot was the election, by acclamation, of a former Western student currently studying theology at King's College, a Catholic affiliate of Western. One way or another, Western became the first Canadian university to place a student on its board of governors.[51]

The Université de Montréal had also been considering reform well before the Duff-Berdahl report was published although, there too, the report added support and direction to the emerging pressure for change. Change had been under way since at least 1961 when the farseeing archbishop, Paul Emile Cardinal Léger, appointed the university's first lay vice-rector. This was followed in 1965 by the appointment of a lay rector, Dr. Roger Gaudry. By then, the reform movement was in full swing, pushed by the faculty association in pursuit of a threefold objective: deconfessionalization, democratization, and decentralization.[52] Montreal was then still very much a

Catholic university, controlled by a conseil des gouverneurs "composed of twelve members professing the Catholic religion,"[53] and chaired by the archbishop as chancellor of the university. There was no senate or equivalent.

All of this changed with a new charter, recommended by a joint committee in the fall of 1966 and enacted by the provincial legislature in the summer of 1967 to take effect September 1. The new charter brought bicameralism to the Université de Montréal. A new board, the conseil de l'université, was established, containing up to 24 members, including five elected by faculty and two representing students (the student representatives were actually appointed by the board itself, after consultation with a students' council). The board was empowered to choose its own chancellor, who would also chair the board.

The major innovation was the establishment of a 70-member assemblée universitaire, the full equivalent of a senate. It comprised the senior administrative officers of the university, elected faculty members, and six students, as well as representatives of the board and non-academic staff. The legislated functions of the assembly included determination of "the general principles that are to govern the orientation of the university and its development" as well as conveying to the board "any recommendations respecting the administration and development of the university."[54]

Montreal's new charter had gone far to accommodate the objectives of the reform movement. And while it confirmed the principles of bicameral government under a lay board and faculty-dominated assembly, it retained the original papal charter and, with it, substantial church control of the faculty of theology. This dual power structure would cause the university considerable difficulty over the subsequent decade.

McGill was not far behind Montreal in reforming its governing structures, although in McGill's case bicameralism was already well established. A joint board-senate committee was established in April 1966, and by the fall of 1968 both bodies were thoroughly restructured. McGill was still operating under its 1852 royal charter and was able to accommodate the proposed changes within its own regulations, thus avoiding the necessity of provincial legislation and legislative debate. The senate, only nine of whose 38 members had been elected by faculty, was increased in size to 69, with 32 elected faculty members and nine students. The board retained its maximum membership of 36, but henceforth five were to be elected by senate (in the event, senate sent four faculty members and one student to the board; in 1973 students acquired three seats of their own on the board). Moreover, 25 of the remaining members (excluding the principal and five alumni representatives) would be appointed by the board from nominees proposed by a representative membership committee. This committee was instructed to seek nominees from the various sectors of the community served by the university, including government agencies, research establishments, the professions, business, labour, and the arts.[55] Meetings of both board and senate would henceforth be open to the public.

The first open meeting of the board turned out to be a traumatic experience, a victim of the bullying tactics of student radicals. With admission limited by available seating capacity and regulated by a system of authorized passes, a large number of students nonetheless crashed the meeting and thoroughly disrupted the proceedings. The meeting was formally adjourned 15 minutes after it began. The episode was not repeated, however, and meetings continued to be open to observers.[56] The senate, for its part, experienced a sustained period of unprecedented radical political activism as the university found itself at the centre of controversy concerning not only its internal governing structure but also its role as an anglophone university within a predominantly and newly self-confident francophone provincial society.[57]

Open senate and board meetings were rapidly becoming the pattern across Canada. Not one university had open meetings in 1967. By the end of 1968, however, at least 11 had opened their senate meetings.[58] Two years later well over half of all universities (39 of 64) had followed suit, as had 10 boards of governors.

Dalhousie, like McGill, avoided any risk of legislative adventurism by staying within the confines of its existing charter. In Dalhousie's case, the charter explicitly prohibited the appointment of faculty members to the board.[59] Dalhousie's method of appointment was and remains a distinctive one, in that the majority of board members are formally appointed by the provincial government, but are nominated by the board itself (representatives of alumni and affiliated institutions, in turn, are nominated by their sponsoring organization and formally appointed by the board). As a consequence, Dalhousie was able to place three students on its board in 1969 by the simple expedient of recommending their appointment to the provincial cabinet.[60] This produced the anomalous situation in which the board contained student but not faculty representation. That anomaly continued until 1988 when the charter was amended to remove the prohibition of faculty membership and to add provision for senate nomination of five board members.

Dalhousie's senate had contained a majority of faculty members from its inception in 1863. Indeed, all professors continued to be members of the senate *ex officio*, creating a large and ever-growing general assembly. Much of the business of senate, not surprisingly, was assumed by an executive committee called the senate council, a body consisting of an equal number of senior administrative officers and elected faculty members. The structure of senate was altered in 1978, adding a number of functional committees and reducing the role of the president and senior officers, but its composition remained unchanged. As the professoriate grew, so did the size of senate. By 1990, membership had passed the 400 mark!

The charter of the University of New Brunswick was thoroughly overhauled in 1968. In the process, both the membership and the names of the bicameral governing bodies were modernized. UNB had been governed by a senate, with the senior academic body known as the university council. The new act substituted more normal nomenclature, the old senate becoming a board of governors, and the former council being renamed the senate. In addition, four elected faculty members and one student were added to the board. Senate was empowered but not required to add student representatives.

The western provinces shared with New Brunswick the tradition of provincial universities. Not surprisingly, therefore, all of them responded to pressures for the reform of bicameralism with general provincial legislation. Indeed, Alberta had done so even before the Duff-Berdahl report, legislating in 1966 the addition of two faculty members elected by the general faculties council (GFC) to the reconstituted 14-member board. The composition of the GFC, the senior academic body in Alberta, was fixed at a ratio of two elected faculty members for each administrative officer. The GFC was also empowered to increase its own membership, and it did so in 1967 by adding two students.

Manitoba followed in 1968 with a new University of Manitoba Act. The board was enlarged to 23 members, including six elected by and from the senate. One of these was to be a student. For its part, the senate was enlarged and empowered to consider any matter affecting the university. The total membership of the senate was substantially increased, by including all administrative officers, six students, and a number of elected faculty members "... as the senate has determined."[61] The upshot was a senate of over 90 members, with 56 elected by faculty.

Saskatchewan moved more cautiously, in three steps. In 1968 the board of governors was enlarged, but no faculty or students were added. The powers of the faculty-dominated councils on each of the Regina and Saskatoon campuses were enhanced, however, and a new university-wide general university council was established as the senior academic body, also with a majority of faculty members. In 1971 a student, but still no faculty member, was added to the board, copying Dalhousie's anomalous situation. Finally, the act was repealed in 1974 and replaced by separate charters for the two independent universities at Regina and Saskatoon. Each university would have a 12-member board, containing one student and one faculty member.

British Columbia's universities were slower than many in responding to the pressure for change, caught as they were in the hiatus of indecision associated with the appointment of the provincial committee on inter-university relations in 1968 under Neil Perry and the shelving of its unpublished report a year later. When, finally, the university-government committee under Walter Young reported in 1974, the floodgates of reform were opened wide.

The committee proposed that boards of governors be enlarged from 11 to 15, and that they include three faculty members elected by the faculty, and two students elected by the student associations. The committee specifically recommended against election by senates on the grounds that this would tend to subordinate the board to the senate and thus dilute the principle of bicameralism.[62] As to the reorganization of senates, the committee's proposals were intriguing, suggesting a formula by which the number of students would be equal to the number of administrative officers, and the number of faculty equal to those two groups combined.

The government moved quickly in response to the Young report, incorporating most of its recommendations in the 1974 Universities Act. In the case of boards of governors, faculty representation was set at two rather than three, yielding parity between faculty and students. In the case of senates, the government not only accepted the proposed ratio of administrative officers, students and faculty, but guaranteed its preservation. Individual senates might henceforth modify their composition, but not so as to violate the 1:1:2 ratio.[63]

The reform of bicameralism proceeded quickly with an almost irresistible impetus. An overall picture of both the nature and pace of change can be gleaned from three studies, beginning with Donald Rowat's pioneering survey in 1955. Two subsequent studies of the composition of governing bodies were undertaken for the AUCC, one covering the years 1965 and 1970, and the other 1975.[64] The three studies were not entirely comparable, but they nonetheless reveal a clear pattern.

According to Rowat, only three of the then 35 boards contained any faculty members in 1955, and in only one of these, Saint Francis Xavier, were faculty elected by their colleagues (the other two were Assumption and Bishop's; Laval might also be included in this category, but its governing structure was unique and not bicameral). Ten years later, on the eve of the Duff-Berdahl report, the number of boards containing faculty members had increased to 18, out of a total of 56. Over the next five years this increased to 43 out of 59, and by 1975 stood at 58 out of 63. The growth of student participation was even more dramatic. Whereas no boards had student members in 1965, 28 did by 1970. By 1975 the number had increased to 49. This transformation is summarized in Table 10.

Table 10
Number and Proportion of Boards of Governors with Faculty and Student Members, 1955 to 1975

	1955		1965		1970		1975	
	No.	%	No.	%	No.	%	No.	%
Faculty	3	9	18	32	43	73	58	92
Students	0	–	0	–	28	47	49	78
Total	35		56		59		63	

Sources: 1955: Donald C. Rowat, *Composition of Governing Bodies of Canadian Universities*; 1965 and 1970: J.F. Houwing and L.F. Michaud, *Changes in the Composition of Governing Bodies of Canadian Universities and Colleges, 1965-1970*; 1975: J.F. Houwing and A.M. Kristjanson, *Composition of Governing Bodies of Canadian Universities and Colleges, 1975.*

It is interesting to note that the growing representation of faculty and students was achieved at the relative expense of non-university board members. As Table 11 indicates, the proportion of administrative officers, faculty, and students all increased between 1955 and 1975. The proportion of non-university members, however, dropped from 90 per cent to 65 per cent over the same period.

Table 11
Number and Proportion of Board Members by Category, 1955 to 1975

	1955		1965		1970		1975	
	No.	%	No.	%	No.	%	No.	%
Admin. Officers	61	8	141	11	189	13	n/a	14
Faculty	16	2	66	5	167	11	n/a	12
Students	0	-	0	-	63	4	n/a	8
Others	705	90	1,082	84	1,069	72	n/a	65

Sources: Same as Table 10.

In contrast with their experience on boards of governors, faculty actually lost ground, albeit marginally, in terms of their proportionate share of senate memberships.

As Table 12 reveals, non-university memberships declined considerably, but student numbers increased even faster. Rowat's study is not at all comparable here, so the comparison can extend only from 1965.

While this was probably the most direct and important outcome, the reforms unleashed by the Duff-Berdahl report did not stop with the modernization of bicameral governing structures. A second theme, which reached into the very core of institutional management, also sought to promote internal democracy.

Democratic Management. The pressure to obtain faculty representation on boards and control of senates was part of a larger campaign to decentralize and democratize decision-making authority

Table 12
Number and Proportion of Senate Members by Category, 1965 to 1975

	1965		1970		1975	
	No.	%	No.	%	No.	%
Admin. Officers	569	27	766	25	n/a	26
Faculty	1,163	55	1,642	54	n/a	53
Students	2	–	281	9	n/a	14
Others	391	18	369	12	n/a	7

Sources: Same as Table 10, except for 1955.

within the university. There were three major aspects to this campaign. First, decisions should be taken at the most localized level possible. For most issues this meant the department, functioning either through committees, or as an entity in a variant of direct democracy. Not surprisingly, student activists were anxious not to be left out in the press for departmental autonomy. H.R. Robertson, principal of McGill, commented on the outcome:

> Departments had practically no guidelines upon which to base their own forms of government. It was at this level, the so-called functional unit of the University, that some of the greatest political activity took place. At stake was the vital issue of the relative parts students and teachers should play in the business of the Department, in promotions, in hiring and firing, in curriculum development, even in teaching.[65]

Despite some early successes scored by students in their drive for parity with faculty, the upshot was a clear victory for faculty, albeit with participation by students. When the dust had settled by the early 1970s, the academic management of Canadian universities had been firmly decentralized, controlled largely by faculty members acting initially through departments.

The second aspect of democratic management had to do with personnel decisions, including decisions on appointments, reappointment, promotion, etc. The central principle at issue was that such decisions should be taken on the advice of faculty committees. Thus was confirmed the parallel structure of academic administration in which heads of departments, deans of faculties, and presidents of universities were advised and constrained by a corresponding hierarchy of committees. In some cases, the freedom of presidents to reach independent judgments was severely circumscribed.[66]

From this came the third aspect of the move to democracy. Academic administrators, from the departmental level to the presidency, should be appointed for fixed terms and after consultation with, if not election by, the faculty members concerned. This principle had been incorporated in law in the 1967 charter of the Université de Montréal. The rector, for example, "... shall be appointed by the board, with the participation of the university assembly." In the case of the constituent faculties, however, the principle went even further: "The faculty council shall participate in the appointment of the dean. It shall recommend the appointment of other officers of the faculty, the appointment and promotion of the professors and other members of the teaching staff."[67]

The same principle was accepted voluntarily in the 1967 search for a new president of UBC:

> As part of the new trend in Canadian universities, the board of governors established a search committee ... to nominate a new president. The committee consisted of three board members, three senators, four faculty members, three deans, four students, three members of the alumni association and the bursar.[68]

By 1970 the AUCC had joined the campaign for democratic management, recommending in its *Guidelines on University Organization* that:

> All senior academic and non-academic administrators should be appointed on the recommendation of a 'search' committee .... 'Search' committees should be appointed ... after consultation with members of a department or a faculty, with students, or others, as circumstances warrant.[69]

The AUCC guidelines went on to note what were considered reasonable and typical terms for administrative appointments: three to five years for heads (quickly to become chairmen and, subsequently, chairpersons or simply chairs) of departments, and five to seven years for deans, vice-presidents and presidents.[70]

The transformation of university management had been at least as rapid and as far-reaching as the modernization of bicameral government. As early as January 1969, J.A. Corry, principal of Queen's and one of the most astute observers of the Canadian university scene, pronounced the campaign for democratic management over and won:

> It is vital to get some things clear. Much of the substance of power has been taken out of the president's office and away from the board of governors. The members of the academic staff now have what has been taken out, and they have nearly a veto on the use of what is left. They may find this hard to believe, but it is true. **That battle is over.**[71]

There was one more battle to be fought, however. The third theme of the post Duff-Berdahl reform movement centred on what has become perhaps the most contentious idea associated with the modern university.

Tenure. Canadian universities had long accepted the custom of appointments with tenure or, perhaps more accurately, appointments without term. It was, however, a decidedly informal arrangement, granted on the recommendation of the president and subject to the overriding authority of the board. The history of academic employment nonetheless bears witness to a considerable degree of job security, devoid of the celebrated dismissals which raised the cause of academic freedom to national prominence in the United States and gave birth to the American Association of University Professors (AAUP) as early as 1915.[72] A few Canadian professors had earned the ire of their presidents or boards to be sure, but few were threatened with dismissal and fewer still dismissed. Michiel Horn, in the closest approximation we have in Canada to a comprehensive history of academic freedom and tenure, concludes that, indeed, "... dismissals were rare."[73] The Canadian tradition, at least in the well established universities, was probably not far from that described by W.P. Thompson in his 1955 presidential address to the NCCU:

> One of the most difficult problems confronting a president is presented by the unsatisfactory members of his staff.... Such men are just those who rarely receive invitations to go elsewhere and therefore tend to increase in numbers with time....
>
> In some cases personal presidential admonition may bring about sufficient improvement.... Sometimes a sabbatical leave will revitalize a man. In co-operation with the dean and department head he may be able to change an offender's duties or so adjust or restrict them as to make him relatively harmless. Sometimes an inconspicuous niche may be found.... In some cases

> there are circumstances which can be exploited in such a way as to bring about a resignation .... It may be possible to find sufficient inducement for an early retirement ....
>
> **The extreme action of dismissal is almost always inexpedient even when it is possible, because it is likely to injure the institution more than the continued employment of the man.**[74]

Faith in the benevolence of presidential authority was already weakening and would be severely tested as the story of the Crowe affair percolated through the Canadian academic community. Moreover, the personal hand of the president, the essential condition of Thompson's approach to management, was ever more surely being restrained by the shift of power to departments, committees and senates, as well as by the growing size and diversity of the emerging modern university.

The CAUT, in marked contrast with the AAUP in the United States, was initially more concerned with faculty salaries than with questions of tenure and academic freedom, viewing the latter as the concern of local associations.[75] Even after the Crowe affair, the CAUT moved with measured pace to formulate a national position. In 1959 a statement of principles was adopted, modelled on the famous 1940 statement of the AAUP. Its key provision was the assertion that: "Teachers should have permanent (continuous) tenure after the expiration of a specified probationary period. Their services should be terminated only for adequate cause, except in the case of retirement for age."[76]

The next major step was taken in February 1963 when Professor Daniel Soberman of Queen's was commissioned to study the legal basis of tenure in Canadian universities. His report, published in March 1965, with a subsequent addendum by René Hurtubise reviewing the situation in Quebec under the civil code, argued convincingly that the traditional form of tenure in Canada existed at the pleasure of boards of governors and had no standing in law.

> 'Informal tenure,' that is, tenure implied by custom and usage has not been recognized by our courts; and it is unlikely to be recognized. **Accordingly teachers at universities without formal tenure agreements probably have no legal protection whatever and may be removed at any time** by receiving reasonable notice or payment of salary in lieu of notice .... In other words, the 'tenure' of university teachers in most universities in Canada amounts roughly to a right to the same notice as any salaried yearly employee of a big business would be entitled to receive.[77]

Soberman then proceeded to recommend the principles that should underly a formal system of tenure: tenure should be granted as a positive action, not merely assumed by virtue of reappointment; the decision to grant or deny tenure should be made by a committee of peers; the criteria and procedures should be embodied in formal regulations, involving legislative amendments to the university charter if necessary; and, finally, these regulations should set out clearly the length of the probationary period preceding tenure consideration, and both the grounds and procedures for dismissal of tenured faculty. The latter, he suggested, should be specified "in great detail" and should be based on a fair hearing before a panel of peers chosen by the local faculty association.[78] In reviewing the regulations of nine universities, Soberman found none that conformed to the principles proposed in his report.

The Duff-Berdahl commission specifically endorsed Soberman's principles, with one exception.

> The one point in that report with which we do not agree is that which stipulates that the committee . . . before whom the hearing is held should be chosen by the local Faculty Association . . . . [W]e feel that the Senate as the official, all-inclusive faculty body should name the committee.[79]

With that, the CAUT moved on to develop a more elaborate and precise position on tenure. The result was the 1967 "Policy Statement on Academic Appointments and Tenure." It defined tenure quite simply as "permanency of appointment, the right of a faculty member not to be dismissed except for cause."[80] The CAUT position went much further than this, however. Essentially, it was based on the notion that all faculty members should hold appointments to which formal tenure applied, or they should be serving probationary appointments that would lead to tenure consideration (the period of probation should be from two to five years, depending on previous experience). This carried two implications. First, appointments for a contractually limited term, with no prospect of tenure, should be made only in exceptional cases. Second, faculty members should not be continued beyond the fifth year of employment (the maximum probationary period recommended by the CAUT) except with tenure. This was the famous "up or out" policy that would force a definitive, positive or negative, decision within the first five years of employment.

With so much riding on the tenure issue, both for the individual and the university, one might have expected great care to be taken to ensure appropriately high standards in the case of positive decisions. Certainly this was what the Duff-Berdahl report had urged.[81] On the contrary, the focus of the CAUT's policy statement was not the granting of tenure, but the dismissal of faculty members holding appointments with tenure. The real test of effective tenure was to be that, having granted it, a university could subsequently terminate the appointment only for proven and legitimate cause. Even at that, the statement was hesitant if not downright fuzzy on the question of what would constitute cause for dismissal. "If 'adequate cause' is to be defined," it suggested, "it might be said to mean, or to include, gross misconduct or persistent neglect of a professor's duty to his students or his discipline."[82]

The statement did not, however, offer such a definition, arguing that to do so "... would only substitute one set of general words for another."

> The real meaning of either 'adequate cause' or any substituted phrases can only be reached in the context of a particular case, and the important thing is to ensure that a procedure is followed that will permit dispassionate consideration of 'cause' established by the evidence.[83]

The essence of the procedure proposed by the CAUT involved the submission in writing by the president of the charges against an individual, and the binding determination by a three-member external arbitration panel as to whether adequate cause for dismissal had been established.

The CAUT policy statement constituted a bold, pre-emptive step in the definition of tenure in Canada. It was too bold for the AUCC, which responded with a press release suggesting that consideration needed to be given to "... the integrity of the university community as well as the freedom of the individual."[84] The AUCC also set about to formulate its own position, initially suggesting that the result might be a joint AUCC/CAUT statement. That proved impossible, however, and the AUCC's recommendations on appointments, tenure, and dismissal were incorporated in the 1970 *Guidelines on University Organization.*[85]

The AUCC was initially somewhat ambivalent on the question of tenure, noting that "[t]he question has been raised whether or not tenure . . . is any longer appropriate in the contemporary university." But on the other hand, it asserted that:

> The AUCC feels that tenure is an important guarantee of academic freedom and should be granted when and as institutions are satisfied that the individual's teaching competence and scholarly quality justify it, and when curricular needs justify the continuing appointment.[86]

It probably had little choice in fact. The existence of tenure in both Britain and the United States meant that if Canadian universities were to compete internationally for academic staff, they could not unilaterally abandon the institution of tenure.

With that, the AUCC set out only very general suggestions regarding criteria and procedures, deferring to varying institutional circumstances. It was, however, more open to continuing non-tenured appointments than the CAUT, thus rejecting the latter's "up or out" position in favour of increased managerial flexibility:

> Every university's departmental needs change from year to year in the light of retirements, resignations and changes in academic programming and it is frequently necessary to change direction in staffing and release persons who have not got tenure, whether or not they are basically satisfactory in the performance of their duties.[87]

On the matter of dismissal of tenured faculty members, the AUCC position was almost identical with that of the CAUT, except for two crucial points. First, the AUCC proposed that the entire procedure be internal, arguing that members of the affected institution "normally have . . . a more acute concern for the standards and reputation of the institution than persons from outside can have." Second, the decision of the hearing committee proposed by the AUCC would be advisory, not binding, although it was "assumed" that it would normally be accepted.

The concept of tenure had clearly been transformed, and Canadian universities moved quickly to develop formal procedures along the lines proposed by the CAUT and AUCC, with the CAUT "up or out" policy quickly winning out. This was borne out in a survey undertaken by the CAUT regarding the status of tenure as of December 1970.[88] Well over half of the institutions surveyed (27 of 46) had adopted the CAUT policy that, following a stated period of probation, faculty members be considered for tenure and either awarded an appointment with tenure or their employment terminated, with a one-year terminal extension if appropriate. An even larger proportion (35 of 46) had put in place formal procedures for dismissal involving hearing committees.

On the question of whether or not the recommendations of such a committee were final and binding, the responses were mixed. In 12 cases the decision of the committee was binding, in 15 it was not. But eight more universities took a position between the two; the decision would be binding to the extent that dismissal could not proceed without a positive recommendation from the hearing committee, but it would not be binding to the extent that the president could disregard a recommendation that dismissal was warranted or could impose a less severe penalty.

An even more revealing outcome of the CAUT survey was the indication that only two universities (Loyola and Western) claimed to review regularly the files of tenured faculty members. This was probably an understatement of the actual situation, since other universities certainly employed annual performance evaluations as the basis for salary increments, but it serves to highlight the difficulty of ever establishing adequate cause for dismissal (or, indeed, for almost any disciplinary action) unless performance is regularly and formally monitored. This, of course, has turned out to be the soft underbelly of tenure.

Reform of university government was not in all cases contained within the framework of bicameralism. Several universities considered unicameral arrangements, with a single governing body encompassing the powers of both board and senate. A few actually proceeded with unicameral experiments.

Unicameral Experiments

The governing structure of Laval University had always been both distinctive and unicameral. The original royal charter of 1852 had established, as the governing body of the university, a council consisting of the superior general and directors of the Séminaire de Québec, plus the three senior professors of the four original faculties of the university, with the superior *ex officio* the rector of the university. This structure lasted unchanged for over a century. Like so much else in Quebec, the year 1960 ushered in a period of substantial change.

Unicameralism at Laval. The decade of change at Laval began with the election in 1960 of Msgr. Louis-Albert Vachon as superior of the seminary and therefore rector of the university. According to Paul-André Laberge, Vachon was a conservative theologian who surprised both his supporters and opponents by his openness to change and his early realization that the government of the university should be placed in the hands of university people.[89]

A committee was appointed in 1961 to review the university's internal statutes, initially chaired by Msgr. Alphonse Parent, then vice-rector of the university. Parent was appointed to head the provincial royal commission shortly thereafter, and his place was taken by Louis-Philippe Bonneau, a scientist (dean of the faculty of science) and the university's first lay vice-rector.

The principal thrust of the committee's recommendations was to increase the role of faculty members in the government and management of the university, while retaining the royal and papal charters. Taking considerable liberties with the royal charter, the new statutes, approved in 1965, created a separate 60-member conseil de l'université, consisting of the rector, vice-rectors, several other *ex officio* officers, plus the deans and 28 elected faculty members, as well as two student representatives (but not students).[90] Democratization extended into the management structure as well, including the selection of deans: "... the Dean ... is chosen after consultation by the Rector with members of the faculty, presentation by the Rector to the Council of the different candidates and expressions of opinion sustaining their candidacy and, finally, the vote of the Council ...."[91]

Laval had clearly anticipated many of the recommendations of the Duff-Berdahl report: "All the recommendations concerning frequent consultation, democratic methods, information concerning faculty members, have been followed ...."[92]

The exception, of course, was Laval's rejection of the principle of bicameralism. In this, Laval faced one of the major criticisms of unicameralism in publicly-funded universities: that faculty dominance would create a conflict of interest particularly in relation to salary determination. Louis-Philippe Bonneau was quite sanguine about Laval's initial experience on this score:

> A real test of the validity of the structure was made the first time the new Council was called on to discuss and vote on salary schedules. At that time the Council could have adopted a selfish attitude and imposed upon the Rector and those charged with

> University administration, salary rates which would not have taken into account important social and economic factors peculiar to our region. On the contrary, I believe the Council adopted a proper attitude and conducted itself as a responsible body, each member submerging his own interest in the Community's welfare.[93]

Subsequent events would certainly strain that commitment to the welfare of the whole community.

Laval was far from finished with the reform of its governing structures, however. For one thing, students were pressing for further changes. Just before the adoption of the 1965 statutes, they had presented a far-reaching proposal for radical reform.[94] Then, in 1968, and despite the addition of four students to the governing council, the rector's office was occupied (in September 1969, following the report of a committee examining student participation, student representation on the council was increased to eight). Beyond this, however, were the constraints of the royal charter and, particularly, its stipulation that the rector must be the superior of the seminary, and therefore a priest.

This was a major concern of another committee, "le comité de développement et de planification de l'enseignement et de la recherche," known familiarly as the "Roy Committee" after its chairperson, vice-rector Lorenzo Roy. The Roy committee reported in the summer of 1968 and recommended a major reorganization of the university based on three principles: greater integration of the faculties, more democratic management, and a clearer distinction among consultative, decision-making, and executive functions.[95] The question of the charter became the central concern of the three-member commission de la réforme, established in November to work out a plan to implement the principles advanced in the Roy report. The commission worked on the new charter through most of 1969, and on December 16 draft legislation was approved by the conseil de l'université for submission to the provincial legislature. It was passed a year later, taking effect in September 1971. "La nouvelle Université Laval était née."[96]

The new university was a remarkably different legal entity from its predecessor. A provincial corporation, its members "shall be the rector, the members of the teaching staff, the students, the directors and the members of the non-teaching staff of the University."[97] Not only would the corporation comprise all members of the university community, but it would be governed by a unicameral council the majority of whose members would be elected by the three "estates" (faculty members, students, and non-teaching staff).

Democracy went even further, however. The most radical provision of the new charter called for the election of the rector by an electoral college, the membership of which was to be established by the university statutes, with the election to be held within four months of the new council assuming office.[98] The statutes, in turn, created an electoral college made up of the members of the council and its four standing committees, some 103 people in all. These statutes had been drawn up by the old council, however, and the structure of the electoral college was challenged at the first meeting of the new council as not being sufficiently democratic. A committee duly produced an alternative proposal in which a 120-member college would be elected by the three "estates" (40 faculty members, 40 students, and 40 non-teaching staff). This proposal failed to win the necessary two thirds support of the council, however, and so the original scheme prevailed. After a lengthy and, at times, acrimonious electoral process, Larkin Kerwin, vice-rector of instruction and research, was elected rector on February 15, 1972, for a five-year term.[99]

A second unicameral experiment was under way at much the same time, in the University of Toronto. Toronto's, however, was to be a unicameralism of a very different kind. Initiated by the president, Claude Bissell, it provides a near textbook case of how the process of change, once begun, can acquire a life and momentum of its own.

Unicameralism at Toronto. The year 1965 marked the beginning of the process of change at the University of Toronto. In May of that year, Bissell created his president's council, an advisory body comprising 11 senior officials, three board members, and five (later increased to seven) elected faculty members. He was explicit about the intended purpose of the council. It was to bridge the gap between board and senate, creating a joint committee to discuss such university problems as "... academic priorities, government relationships, and faculty appointments, where finance and educational policy coalesced.[100] ... The recommendations of this body would then go through the President to the Board of Governors for implementation, and I have no doubt that, 99 times out of 100, the implementation would be automatic."[101]

The president's council proved to be an influential body, responding to the Duff-Berdahl report with proposed policies on such matters as academic and administrative appointments, tenure, political candidacy, etc. But it was in response to the broader issue of university government that the council provided the initial forum for even more radical change. The faculty association suggested that eight of 24 board members be elected from the academic staff, but Bissell wanted to go much further than that. According to Robin Ross, "Bissell was determined that the system of government in Toronto should undergo radical change, and that less than this was unacceptable in the interests of the university."[102]

In December 1966 Bissell presented his own proposal to the council, criticizing both the Duff-Berdahl commission and the faculty association for not going far enough. Bicameralism, he argued, had become "... a system of double innocence .... The lay members of the Board are innocent of academic problems and are proud of their innocence .... For their part, the academics gracefully retreat whenever an issue reaches a point where it requires expression in financial terms."[103] And with that, he proposed that the board and senate be abolished and a single governing body established in their place.

In August 1968, following Bissell's return from a year's leave at Harvard, the board approved a proposal from the president's council that a commission be established to study the university's governing structure. The commission would consist of two representatives from each of the board, faculty, administration, and students. Student activists, led by Steven Langdon (now a New Democratic Party member of Parliament) and Robert Rae (now the New Democratic Party premier of Ontario), challenged the composition of the commission, arguing for parity between faculty and students, with representatives of the board and administration, including the president, acting as observers only. They cleverly outmanoeuvred the president, even persuading a poorly attended meeting of the faculty association, then known as the Association of the Teaching Staff (ATS), to support their key demand. "I suddenly became aware," Bissell later wrote of the fateful ATS meeting of October 3, "of a great faculty hostility towards the board and saw that the students could draw upon strong emotional support."

> I was appalled by staff naivety. The commission was about the distribution of power in the university; yet at the very outset, the staff was prepared to set aside the principal power in the university as established by a democratic legislature. Here surely was a triumph of emotional pique over considered judgment.[104]

It was the decision of an unrepresentative meeting, but it nonetheless changed profoundly the course of reform within the university. Even the chairman of the ATS was subsequently moved to reflect that: "In retrospect, I believe that while the risk was a calculated one on the part of . . . [the students], many A.T.S. members did not fully realize the 'political' consequences of their action . . . ."[105]

The Board finally and reluctantly conceded the main point, and the commission on university government (CUG) was established with four students, four faculty members, plus the president. Board and alumni representatives were named as observers.

The commission met for the first time in December 1968 and after 145 meetings concluded its deliberations 10 months later. The report was a unanimous one, no small achievement in itself, although unanimity came at the expense of detailed proposals for implementation. The report did contain a wide-ranging discussion of the many questions associated with university government, including "traditional" and "radical" philosophical critiques of the nature of the university. It then addressed the central issue of a unicameral governing structure for Toronto. Its position was the product of compromise, "yet it is one we present with conviction."[106] The proposed council would have 66 members, 10 appointed by government, 10 alumni, 20 faculty, 20 students, and six *ex officio* senior administrative officers including the president.

Consideration of the CUG report and its key recommendation for unicameral government unfolded through a two-stage process. First, a seven-member "programming committee" (three faculty and three students, and chaired by a fourth faculty member) oversaw a wide-ranging discussion of the report and its recommendations, carried out primarily through the pages of the university newspaper, but eliciting surprisingly little enthusiasm on campus. Then, all of this was brought together for debate and resolution by a 160-member "University-Wide Committee" (UWC) which met for three consecutive days in early June 1970. The UWC was a veritable constituent assembly, representing the major stakeholders or estates within the university. It consisted of 40 faculty members, 40 students, 40 administrators, and 40 "others," including alumni and board representatives (although the board declined the invitation to participate).

The central issue, apart from student participation in appointment, promotion and tenure proceedings, was the proportionate representation of the various "estates" in the proposed governing council. In the end, and after seven preferential ballots, the UWC rejected faculty-student parity and agreed instead on a 72-member council, consisting of 24 government appointees (including 10 alumni), 21 faculty members, 14 students, and 13 administrative officers. The board, resistant to the end, countered in the fall of 1970 with its own brief to the government, denouncing unicameralism as inappropriate while proposing a smaller governing body of 35 members, the majority of which would be appointed by the government.

The 1970-71 academic year was a tense one. Bissell was in the final months of his presidency, while the government faced an imminent election, one in which 18-year-olds would, for the first time, be eligible to vote. Premier Davis committed himself to the principle of unicameralism, however, and promised that legislation would be introduced before the end of the legislative session. The one significant departure from the UWC proposal was that half the members of the governing council would be from outside the university. Faculty-student parity thus gave way to parity between internal and external representation.

Student activists mounted a vigorous lobby, and when the draft legislation reached committee, it was roundly attacked by the opposition Liberal and New Democratic parties for not incorporating faculty-student parity. The government initially conceded the point, but backed away at the last minute in the face of bitter faculty opposition, supported by Claude Bissell who was by then no longer president. With that, the new University of Toronto Act passed on July 23, 1971. It provided for a 50-member governing council, 16 appointed by government and eight alumni on the one hand, and 12 faculty members, eight students, two senior officers, and two non-academic staff on the other hand, plus the president and chancellor *ex officio*.

Critics of the new structure bemoaned the loss of faculty control. One of the harshest critics was Murray Ross, former vice-president of Toronto and president of York: "The academic staff seem to have exchanged their virtual control of the academic programme for 12 seats on a 50-man council. On the surface it appears not to be a very good bargain."[107]

Faculty at Toronto would soon come to appreciate just how much they had lost in the bargain, as an activist governing council became more and more involved in the details of academic programs and administration. Indeed, one of the first decisions of the new council when it took office in July 1972 was to insist that no "estate" should constitute a majority on any of its five standing committees, thus depriving faculty of control of even the academic affairs committee, the closest parallel to the former senate.[108]

The 1971 charter required a review of the new structure after two years, to be undertaken by the governing council. In this, the council became bogged down in the old battle over faculty-student parity. It eventually recommended that student representation be increased, but not to the level of parity with faculty (the council would be increased from 50 to 57, with three additional students, two alumni, one faculty, and one non-academic staff member). The government took no action on the recommended changes. Meanwhile, faculty frustration continued to mount, and would eventually lead to a comprehensive review of the unicameral experiment in 1977.

In sharp contrast to the Flavelle Royal Commission and Toronto's bicameral governing structure of 1906, the CUG report and 1971 charter did not become the model for Canadian universities. A number did, however, consider the idea.

Variations on a Theme. Like so many universities, Waterloo established a joint board-senate committee in 1966 to study university government in the wake of the Duff-Berdahl report. The committee reported in October 1968, setting out two options, as developed by a subcommittee. One of these entailed a reform of the existing bicameral structure, while the second called for unicameral self-government under a senate.[109] The subcommittee had preferred the second option, but the full committee endorsed the first. In doing so, it offered a pragmatic response to Claude Bissell's charge of double innocence. Taking note of increasing provincial control of universities, the committee reasoned that:

> The crucial question then becomes: who speaks to the government on behalf of the university? The view which prevailed in the committee was that the government . . . was perhaps more apt to be influenced . . . by a group of respected laymen than by a group of academics.[110]

The committee's solution was to ensure substantial cross- membership between board and senate. By January 1969, however, both the senate and the board, meeting jointly, had agreed on the principle of a unicameral governing structure. The draft of a new charter was expected to be ready for the 1970 sitting of the provincial legislature. A draft was indeed completed by September 1969, and provided for a 66-member council containing faculty members, students, administrative staff, alumni, and members of the external community.

The proposal failed to obtain general support. A second version was ready a year later, but it failed as well. By June of 1971 and the third draft of a new charter, the president could report that: "One can observe much less enthusiasm on the part of many members of the University for the principle of unicameralism. There is a body of opinion that a revision of the existing 'two-tier' system might be wise at this stage."[111]

Indeed, in September the board and senate, again meeting in joint session, decided to abandon the unicameral idea and, instead, seek to reform the existing bicameral structure, incorporating the reforms proposed in the Duff-Berdahl report as well as direct student representation. A private member's bill was introduced in March 1972 and, despite lobbying by students for increased representation, passed with only minor changes, receiving royal assent on May 26.

The new Waterloo charter established a board of 36 members, five *ex officio*, seven faculty members appointed by senate, five students also appointed by senate, two non-academic staff members, seven appointed by the government, and 10 people appointed by the board itself from the external community. For its part, the senate was to contain a clear majority of elected faculty members (34 from Waterloo itself and another seven from affiliated colleges), as well as nine students, three alumni, three members of the board, and 11 *ex officio* members (67 in all).[112]

The about-face on unicameralism drew the following telling explanation from the chancellor, Ira G. Needles, who initially favoured unicameralism and had participated throughout the efforts of the drafting committee to come up with an acceptable charter:

> . . . as I gained more knowledge of the university I began to appreciate that senate has a much greater amount of responsibility in academic matters than I previously realized. No outside group could possibly serve as senate does. I have come to feel unicameralism would be inoperable.[113]

One other university acquired a unicameral governing structure,[114] but not by virtue of internal reform. Alberta's Athabaska University was established by order-in-council in June 1970 under an "interim governing authority" consisting of eight people named by the government.[115] Development of the university was suspended before it had seriously begun, and was subsequently redirected toward a facility for distance education. The unicameral governing structure was continued, and confirmed under legislation of 1977 which authorized the provincial government to establish "a governing authority" which "... may exercise and perform the powers and duties of (i) a board of governors, and (ii) a general faculties council" as operated in the other three Alberta universities.[116]

The pressure for change and reform had achieved a remarkable transformation of the government and management of Canadian universities in the space of a very few years. And while there was unquestionably widespread support for both the pace and direction of change, there were also some who cautioned that reform could go too far.

Sober Second Thoughts

Some, like McGill's principal H.R. Robertson, offered wry comment on the petty politics of university administration in a period of rapid change: "In the politically active Departments so much time was taken up in discussions about the form of Government that there was none left for governing."[117]

Others, like UBC's J.B. Macdonald, tried light-hearted criticism:

> ... in strengthening the role of faculty, one is reducing the opportunities for creative administration. The real problem as I see it, is to widen the avenues of effective consultation but to find ways of doing this without placing all the ultimate decision making in the hands of endless committees.... Perhaps the day will sometime come when ... [the AUCC] wishes to establish a commission on administrative participation in university government.[118]

Even CAUT officials were sometimes moved to wonder about just what had actually changed as a result of so much change. In his presidential report for 1970-71, for example, Professor J. Gordin Kaplan observed that: "If professor-power is a **necessary** condition for attaining ... the truly liberal university, we now see clearly that it is not **sufficient**. It is not sufficient because some of the worst abuses of academic freedom may occur in institutions which are professor-dominated."[119]

But it fell to the perceptive principal of Queen's to approach the issue from a theoretical and scholarly perspective. Reflecting his academic grounding in political science, J.A. Corry observed that:

> Democratic theory and practice were fashioned for bringing the awesome coercive power of the state under control. The full logic of democracy is convincing only in the realm of the state, in the truly political community. Transferring it to the realm of university government is a kind of hocus-pocus, dressing up a sheep in the skin of a lion.[120]
>
> . . . .
>
> Applying the full logic of political democracy to the governing of the university must end by debasing it.[121]

Corry then proceeded to suggest the necessary antidote: "There is no chance that rebellion and disaffection will end until the priorities are overhauled. The members of the self-governing community of scholars will have to realize that they are teachers first, abstruse specialists, researchers, and consultants afterwards."[122]

This theme, that university priorities had become misplaced in a period of rapid growth and internal change, was one Corry would pursue with tenacity. One opportunity for doing so was provided when Corry and Louis-Philippe Bonneau of Laval were invited by the AUCC in 1971 to study the rationalization of university research. This was the last of the series of commissions sponsored singly or jointly by the AUCC,[123] and the title of its 1972 report reflected the essential priority-setting task of the modern university.

Quest for the Optimum

Bonneau and Corry were highly critical of the headlong rush of universities into graduate studies and research, ahead of their capacity to support or manage such activities adequately. The predictable consequence was not only neglect of undergraduate teaching, but also uncoordinated research, much of which was of dubious quality. "The first priority for the university is teaching," Bonneau and Corry asserted unequivocally. "This should be axiomatic, not needing to be argued for."[124] Then, drawing on their respective experiences on the National Research Council and the Canada Council, they concluded that "... too much of the research funded has been pedestrian, often because it was pedestrian in conception."[125]

The report called for a distinction between what the authors called "reflective inquiry," the essential handmaiden of teaching, and "frontier research" which often competes with teaching. Universities should recognize and reward faculty members whose priority is teaching and reflective inquiry, removing the premiums in promotion and salary decisions currently placed on frontier research and publication. Moreover, universities should abandon the *laissez-faire* approach to research, learning instead to manage the research function within the framework of institutional priorities. There should be a much greater concentration of effort in graduate studies, particularly at the Ph.D. level, supported by more rigorous assessment of program quality along the lines of the emergent Ontario scheme. As to frontier research, steps should be taken at the institutional, provincial, and national levels to set research priorities, to stiffen the assessment of research grant applications, to support selected centres of specialization, and to foster the emergence of a very few true centres of excellence.

All in all, the Bonneau-Corry report constituted an eloquent warning of the dangers of inflated aspirations in the face of limited resources. It was an equally eloquent defence of the enduring core value of the modern university: the pursuit of truth, unconditionally and for its own sake. In this, it offered sensible and compelling advice which should have been taken more seriously than it was.

Unfortunately, another idea was taking hold of many Canadian universities. It also had to do with resource constraints and institutional priorities, although the latter were quite different from those advanced by Bonneau and Corry. This idea was faculty unionization, including certification of collective bargaining units under provincial trade union legislation. Over the ensuing decade, it would utterly transform the very context of university government and management in Canada.

Notes

1. For background to the Crowe affair, see A.G. Bedford, *The University of Winnipeg: A History of the Founding Colleges*. Toronto: University of Toronto Press, 1976, chapter 11. See also Donald C. Savage and Christopher Holmes, "The CAUT, the Crowe Case, and the Development of the Idea of Academic Freedom in Canada," CAUT *Bulletin*, December 1975.

2. "The Second Decade: An Editorial," CAUT *Bulletin*, November 1960, pp. 2-4.

3. "Report of the Investigation by the Committee of the Canadian Association of University Teachers into the Dismissal of Professor H.S. Crowe by United College, Winnipeg, Manitoba," CAUT *Bulletin*, Special Issue, January 1959, Appendix A, Document No. 3, p. 52.

4. Bedford, *The University of Winnipeg: A History*, p. 310.

5. "Report of the Investigation . . . ." p. 45.

6. Bedford, *The University of Winnipeg: A History*, p. 326.

7. "The Executive Secretary: An Editorial," CAUT *Bulletin*, April 1959, pp. 3-4.

8. Bedford, *The University of Winnipeg: A History*, p. 327-8.

9. Donald C. Rowat, *Comparison of Governing Bodies of Canadian Universities*. Ottawa: School of Public Administration, Carleton College, 1955.

10. Rowat's principal findings were published in a two-part article entitled "The Government of Canadian Universities" (*Culture*, vol. 17, September and December, 1956). A slightly modified version of the same article was published as "Faculty Participation in Canadian University Government," in the journal of the American Association of University Professors, *AAUP Bulletin*, vol. 43, 1957.

11. Rowat, "The Government of Canadian Universities," *Culture*, vol. 17, December, 1956, p. 366.

12. Ibid., pp. 368-9.

13. Ibid., pp. 376-7.

14. Ibid., p. 378.

15. Charles H. Stewart, "The Government of Canadian Universities," CAUT *Bulletin*, vol. 5, no. 2 (April 1957), p. 9.

16. CAUT *Bulletin*, vol. 6, no. 1 (December 1957), p. 7.

17. V.C. Fowke, "Who Should Determine University Policy?" CAUT *Bulletin*, Vol. 7, no. 4 (April 1959), p. 7.

18. J. Percy Smith, "University Government," CAUT *Bulletin*, vol. 8, no. 3 (February 1960), pp. 4-15.

19. CAUT Committee on University Government, "The Reform of University Government," CAUT *Bulletin*, vol. 9, no. 1 (November 1960), pp. 10-35.

20. CAUT *Bulletin*, vol. 9, no. 1 (November 1960), p. 5.

21. W.P. Thompson, "University Government," CAUT *Bulletin*, vol. 9, no. 2 (December 1960), p. 6.

22. CAUT *Bulletin*, vol. 9, no. 2 (December 1960), p. 3. Emphasis added.

23. W.L. Morton, "University Government: The Alienation of the Administration," CAUT *Bulletin*, vol. 9, no. 3 (February 1961), p. 12.

24. CAUT *Bulletin*, vol. 9, no. 4 (April 1961), p. 3.

25. Toronto: Clarke, Irwin & Co., 1964.

26. There were 11 principal authors: J.H. Stewart Reid, F.R. Scott, J. Percy Smith, Frank H. Underhill, Donald C. Rowat, W.L. Morton, Maxwell Cohen, Pierre Dansereau, Paul Lacoste, Murray S. Donnelly, and George Whalley. In addition, Bora Laskin, V.C. Fowke, and Wittold Weynerowski contributed appendices.

27. Whalley, *A Place of Liberty*, p. vii.

28. W.L. Morton, "Scholar and Administrator," in Ibid., p. 99.

29. Murray S. Donnelly, "A Modest Proposal," in Ibid., p. 145.

30. Ibid., p. 146.

31. George Whalley, "Further Proposals," in Ibid., pp. 172-5.

32. N.A.M. Mackenzie, "Can Faculty Members Take Control?" *Saturday Night*, September 1964, p. 14.

33. Robert O. Berdahl, *British Universities and the State*. Berkeley & Los Angeles: University of California Press, 1959.

34. Sir James Duff and Robert O. Berdahl, *University Government in Canada*. Report of a Commission sponsored by the Canadian Association of University Teachers and the Association of Universities and Colleges of Canada. Toronto: University of Toronto Press, 1966, p. 8.

35. Ibid., p. 15.

36. Ibid., p. 9.

37. Ibid., p. 32.

38. Ibid., p. 61.

39. Ibid., p. 45. Emphasis in the original.

40. Ibid., p. 42.

41. Sir Eric Ashby, "No Cosy Consensus: Reflections on University Government," *Universities Quarterly*, vol. 21, no. 1 (December 1966)p. 111.

42. D.C. Rowat, "The Duff-Berdahl Report on University Government: A Summary and Critique of its Findings and Main Recommendations," CAUT *Bulletin*, vol. 14, no. 4 (April 1966), p. 30.

43. Edward J. Monahan, "The Inevitability of Gradualness: A Report on Changes in University Government in Canada in the Post-Duff-Berdahl Era." CAUT *Bulletin*, vol. 16, no. 2 (December 1967), p. 34.

44. Ibid., p. 33.

45. Cited in Edward J. Monahan, "Duff-Berdahl Conference on University Government," CAUT *Bulletin*, February 1968, p. 62.

46. AUCC, *University Affairs*, April 1968, p. 7.

47. University of Western Ontario, *1968 Report of the President and Vice-Chancellor to the Board of Governors and the Senate*. London: The University of Western Ontario, 1968, p. x.

48. Ontario, *Debates of the Legislature of Ontario*, 1967, p. 4268.

49. Hon. John P. Robarts, in Ibid., June 14, 1967, p. 4762.

50. Ibid.

51. Ibid., p. 21.

52. For a representative sample of faculty arguments and analyses, see "L'Université de Montréal à l'Heure de la Réforme," *Cité Libre*, vol. xv, no. 74 (February 1965), pp. 14-29.

53. 14 Geo. VI, S.Q., Chapter 142, Section 19.

54. 15-16 Eliz. II, S.Q., Chap. 129, Section 20.

55. AUCC, *University Affairs*, July 1969, p. 13.

56. Ibid., April 1971, p. 21.

57. See S.B. Frost, *McGill University: For the Advancement of Learning*. Montreal: McGill-Queen's Press, vol. II, 1984, pp. 443-67.

58. Ibid., December 1968, p. 4.

59. This prohibition was inserted in 1935. At the same time, the provision dating from 1863 whereby a church (and after 1881 any benefactor) endowing a faculty chair earned the right to appoint a member of the board, was withdrawn. The Presbyterian church's original entitlement to a seat on the board was continued, however, but transferred to the United Church of Canada.

60. Dalhousie, *Minutes of the Board of Governors*, March 20, 1969. In 1976 the charter was amended to provide for four student places on the board, the places to be filled through nomination by the Dalhousie Student Union and appointment by the board.

61. 17 Eliz. II, S.M., Chap. 71, S. 27(1).

62. British Columbia, *Report of the University Government Committee*, May 2, 1974, p. 13.

63. 22 & 23 Eliz. II, chap. 100 (S.B.C.), s. 35.

64. J.F. Houwing and L.F. Michaud, *Changes in the Composition of Governing Bodies of Canadian Universities and Colleges, 1965-1970*. Ottawa: AUCC, 1972. Also, J.F Houwing and A.M. Kristjanson, *Composition of*

Governing Bodies of Canadian Universities and Colleges, 1975. Ottawa: AUCC, 1975.

65. McGill University, *Annual Report, 1968-69.* Montreal: McGill-Queen's Press, p. 8.

66. As but one example, Dalhousie's Regulations Concerning Appointment and Tenure, initially approved by senate in 1968 and finally ratified by the board in 1974, prevented the president from rejecting a positive tenure recommendation from a dean without first seeking the advice of a university tenure committee, a three-member committee consisting of one person nominated by the president, one by the faculty member concerned, and chaired by a person named by the first two.

67. 15-16 Eliz. II, S.Q., Chapter 142, Sections 25 and 29.

68. AUCC, *University Affairs*, July 1969, p. 10.

69. AUCC, *Guidelines on University Organization*, February 1, 1970, p. 5.

70. Ibid., p. 7.

71. Originally a lecture delivered at the University of British Columbia. Subsequently published in J.A. Corry, *Farewell the Ivory Tower: Universities in Transition.* Montreal: McGill-Queen's University Press, 1970, pp. 111-12. Emphasis in the original.

72. For the most comprehensive history of academic freedom in the United States, see Richard Hofstadter and Walter P. Metzger, *The Development of Academic Freedom in the United States.* New York: Columbia University Press, 1955. See also Robert M. MacIver, *Academic Freedom in Our Time.* New York: Gordian Press, 1967.

73. Michiel Horn, *The League for Social Reconstruction: Intellectual Origins of the Democratic Left in Canada, 1930-1942.* Toronto: University of Toronto Press, 1980, p. 199. Chapter 10, entitled "Professors in the Public Eye," offers an excellent, if abbreviated, review of academic freedom and tenure in Canadian universities.

74. W.P. Thompson, "The Job of a University President," NCCU *Proceedings*, 1955, p. 19. Emphasis added.

75. See Edward J. Monahan, "Academic Freedom and Tenure and the C.A.U.T.—The First Twenty Years," CAUT *Bulletin*, Summer 1970, pp. 80-91.

76. "Principles of Academic Freedom and Tenure" as approved by the CAUT executive council in November 1959. Cited in CAUT *Bulletin*, February 1960, p. 16.

77. Daniel A. Soberman, "Tenure in Canadian Universities," CAUT *Bulletin*, March 1965, pp. 21-22. Emphasis added. René Hurtubise reached a similar conclusion in the case of Quebec and the civil code. See "Security of Tenure of University Teachers in the Province of Quebec," CAUT *Bulletin*, February 1966, pp. 13-21.

78. Ibid., pp. 22-29.

79. Duff and Berdahl, *University Government in Canada*, p. 37.

80. "Policy Statement on Academic Appointments and Tenure," CAUT *Bulletin*, February 1968, p. 9.

81. Duff and Berdahl, *University Gov't in Canada*, p. 36.

82. Ibid., p. 15. Emphasis added.

83. Ibid., p. 16.

84. Cited in AUCC, *University Affairs*, July 1969, p. 3.

85. For a review of consultations between the two bodies and a summary of the principal points of disagreement, see J.B. Dunlop, "Guidelines on Appointment and Tenure: The C.A.U.T.'s or the A.U.C.C.'s?" CAUT *Bulletin*, Summer 1971.

86. AUCC, *Guidelines on University Organization*, p. 9.

87. Ibid., p. 8.

88. CAUT, "Tenure in Institutions of Higher Education in Canada," CAUT *Bulletin*, Winter 1971.

89. Paul-André Laberge, *L'Université Laval, 1952-1977: Vers L'Autonomie*. Québec: Les Presses de l'Université Laval, 1978, p. 41.

90. Ibid., pp. 42-5.

91. Louis-Philippe Bonneau, "Internal University Government," AUCC, *Proceedings: Annual Meeting, 1966*, p. 75.

92. Ibid., p. 77.

93. Ibid.

94. Entitled "L'Université Laval Démasquée," the student brief called for renunciation of both the royal and papal charters, and the transformation of Laval into a public university under provincial legislation, with a governing council composed of professors, students, and government appointees broadly representative of society. See Association des Etudiants de l'Université Laval, *L'Université Laval Démasquée: Pour une réforme de structures à l'Université Laval*. Montréal: Les Editions du Jour, 1965.

95. *L'Université Laval*, Québec, 1980, p. 58. See also AUCC, *University Affairs*, October 1968, p. 2.

96. *L'Université Laval*, p. 58.

97. Statutes of Quebec, 1970, Chapter 78, Section 4.

98. Ibid., Sections 8 and 17.

99. A detailed account of the electoral process is presented by Louis-Philippe Blanchard, chairperson of the electoral college, in "L'élection du recteur à l'université Laval" in AUCC, *University Affairs*, June-July 1972, pp. 6-7. For a different perspective, see André Coté, "Élection et Démocratie à l'Université Laval" in CAUT *Bulletin*, December 1972, pp. 8-11.

100. Claude Bissell, *Halfway up Parnassus: A Person Account of the University of Toronto, 1932-1971*. Toronto: University of Toronto Press, 1974, p. 119.

101. Cited in Claude Bissell, "Internal University Government," in AUCC, *Proceedings: Annual Meeting*, 1966, p. 69.

102. Robin Ross, *The Short Road Down: A University Changes*. Toronto: University of Toronto, 1984, p. 37.

103. Bissell, "Internal University Government," p.71.

104. Bissell, *Halfway up Parnassus*, p. 135.

105. F.E. Winter, "Reform of University Government at the University of Toronto," CAUT *Bulletin*, vol. 18, no.3 (Spring 1970), p. 17.

106. University of Toronto, Commission on University Government, *Toward Community in University Government*. Toronto: University of Toronto Press, 1970, p. 177.

107. Murray G. Ross, "The Dilution of Academic Power in Canada: The University of Toronto Act," *Minerva*, vol. x, no. 2 (April 1972), p. 252.

108. Ross, *The Short Road Down*, pp. 59-60.

109. It was a qualified unicameralism, however. The basic governing body would be a senate, but there would also be a 24-member council of visitors "whose role was seen as reviewing, advising, helping, or protecting the self-governing university as its 'patrons,' without however enjoying the corporate governing powers presently held by the board." Cited in AUCC, *University Affairs*, December 1969, p. 9.

110. Cited in Ibid.

111. Waterloo University, *Report of the President, 1969-71*, p. 7.

112. Waterloo University, *Report of the President, 1971-73*, pp. 11-12.

113. Cited in AUCC, *University Affairs*, October 1972.

114. The Ontario College of Art, while not a degree-granting institution, also adopted a unicameral arrangement modeled on the University of Toronto. It, too, ran into immediate difficulties. Finally, the proposed University of Northern British Columbia is to begin operations under a unicameral board. The plan is to bring it under the Universities Act, and therefore to establish a bicameral structure, once it has reached a viable size.

115. L.J. Hughes, *The First Athabaska University*. St. Albert, Alberta: Athabaska University, 1980, p. 12.

116. *Statutes of Alberta*, 1977, chap. 47, Section 4.1.

117. McGill University, *Annual Report, 1968-69*, p. 8.

118. J.B. Macdonald, "Internal University Government," AUCC, *Proceedings: Annual Meeting*, 1966, pp. 81-2.

119. J. Gordin Kaplan, "Professor Power and Some of its Consequences: Annual Report of the President, 1970-71," CAUT *Bulletin*, Summer 1971, p. 25. Emphasis in the original.

120. J.A. Corry, "University Government." Convocation address at the University of New Brunswick, October 8, 1969. Subsequently published in *Farewell the Ivory Tower*, p. 116.

121. Ibid., p. 118.

122. Ibid., p. 120.

123. The series of commissions included, in addition to the Bonneau-Corry study of university research, the Bladen commission on university finance, the Rowat-Hurtubise study of university-government relations, and the Duff-Berdahl commission.

124. Louis-Philippe Bonneau and J.A. Corry, *Quest for the Optimum: Research Policy in the Universities of Canada*. The report of a Commission to study the rationalization of university research. Ottawa: AUCC, vol. 1, 1972, p. 20.

125. Ibid., p. 49. For a more extensive critique of his experience on the Canada Council, see J.A. Corry, *My Life and Work: A Happy Partnership*. Kingston: Queen's University, pp. 121-28.

8

Unionization and Collective Bargaining

It may have taken a single blast of the Duff-Berdahl trumpet to fell the walls of Jericho, but the promised land of faculty control seemed as far away as ever. For one thing, any gains would now have to be shared with students whose battle for participation, if not parity, had initially met with such conspicuous success. For another, the treasures of Jericho offered slim pickings at best. Despite much rhetoric to the contrary, the harsh lesson seemed to be that the keys to the treasury were not, after all, to be found in the board room of the university.

Having argued for years that the only proper conception of the university was a community of scholars, ideally governed by its members, faculty confronted institutions that had been transformed into public corporations or, in J.A. Corry's conception, public utilities.[1] And with that, new questions arose. Should the target of faculty activism shift to provincial governments which now controlled the purse? What, in any case, was the proper role for the board of governors in this new situation, and what was to be its consequent relationship with faculty members? And where did university administrators, academic and otherwise, fit into all of this?

The answers to these questions led to a remarkable about-face, in which the ideal of faculty self-government gave way to a conception of faculty members as employees, even unionized employees, bargaining collectively with boards of governors as corporate employers. That some could argue that this was only a change in tactics did nothing to diminish the magnitude of its impact on the management of universities. The apparent speed of the turnabout caught many—faculty, administrators and board members alike—off guard if not dumbfounded. The turnabout had not been quite so swift as it appeared, however. Some of the signals were visible years earlier.

Early Steps Toward Collective Bargaining

Prior to the 1950s, faculty salaries were generally determined individually by the president, on the advice of heads of departments and deans, and subject to financial limits set by the board. A few universities, like Toronto, had formal salary scales based on rank, but there remained ample room for presidential discretion and, in some cases, the scales were honoured mostly in the breach.

Deterioration of salaries through inflation, in the context of an emergent seller's market for university teachers, created conditions conducive to more formal negotiations. In Alberta, for example, the advisory faculty relations committee which had originally been named by the president in 1938, was dissolved during the 1950-51 academic term and its functions assumed by the executive of the newly established Association of the Teaching Staff of the University of Alberta. Faculty at both the University of British Columbia (UBC) and Saskatchewan were simultaneously laying the groundwork for voluntary collective bargaining arrangements with their presidents and boards.[2] It was Saskatchewan, however, which went farthest in this regard. In so doing it reflected a pattern that would later be observed throughout North America: that faculty collective bargaining followed changes in the environment of provincial and state policy and legislation regarding labour relations.[3]

It was the election of a Cooperative Commonwealth Federation (CCF) government in 1944 that set the stage for changes in the University of Saskatchewan. In its first session, the new government introduced its Trade Union Act, "the most advanced labour code in the country."[4] The sweeping provisions of the act extended union and collective bargaining rights to both professionals and public servants. This was quickly followed by the organization of a union of support staff within the university. According to Michael Hayden, "The university was ordered by the government to accept this union and to negotiate with it. The result was higher salaries."[5]

The lesson was not lost on faculty, but it was not pressed to the extent of formal certification under the act. Instead, a faculty relations committee was established in 1946, elected from and by the university council (the senior academic body, equivalent to a senate). Chaired by Prof. V.C. Fowke, the committee succeeded in persuading the board of governors to accept a salary scale.

Neither the president nor many faculty members were satisfied with this arrangement, however. The president, W.P Thompson, objected to salary negotiations being carried out by a committee of council, "... which he thought should be concerned only with educational matters."

> In the meantime, a number of members of the faculty relations committee had decided that they could not be truly effective unless they had an official status *vis-à-vis* the board of governors .... **The question was whether to move to informal voluntary collective bargaining or to certification under the Trade Unions Act**. The committee opted for the first; the faculty agreed. The reason the committee gave for the choice was that if a union were established, deans and department heads would be excluded from membership. They added that the formation of a union was 'worthy of serious consideration if, as seems most unlikely, collective bargaining on a voluntary basis can not be established.'[6]

In 1951 a negotiating committee was established, elected directly by the faculty, and it entered into collective bargaining with the board of governors. A year later, a faculty association was formed and the negotiating committee became its first executive.

The year 1951 also witnessed the formal establishment of the Canadian Association of University Teachers (CAUT), on the initiative of the faculty association of the University of Alberta.[7] At the time, seven universities had faculty associations.[8] Five years later, the number had more than doubled to 15.[9] The CAUT embraced the campaign for participatory government, but it had difficulty coming to grips with collective bargaining. Unlike its older American sister, the American Association of University Professors (AAUP), the CAUT did not explicitly oppose either collective bargaining or certification of local units as trade unions.[10] Neither did it endorse these ideas, taking instead a position described by a senior officer as "studied ambiguity." There was literally no mention of the issue in the pages of the CAUT *Bulletin* before 1968, but in that year Albert Robinson set forth the essential argument against unionization and formal collective bargaining: "The creation of a viable trade union structure for Canadian universities would . . . involve far-reaching changes in the atmosphere of the university, which would no longer be that of a community of scholars but that of a factory."[11]

Events were unfolding differently, however. Already a number of American states had passed legislation facilitating collective bargaining in public colleges and universities, and several institutions had taken advantage of the opportunity, electing to negotiate through an exclusive bargaining agent. A referendum on collective bargaining among faculty members in the 18 units of the California state college system was narrowly defeated in 1967. A year later, and following passage of the Taylor Law in New York, two bargaining agents were certified on behalf of faculty within the City University of New York (CUNY). One unit represented faculty holding or eligible for appointments with tenure, while the other represented part-time and sessional teaching staff[12] (the two units were merged in 1972). Hearings began in July 1968 on applications from no fewer than four prospective bargaining agents for the multi-campus State University of New York (SUNY), and after two and a half years of argument and appeals to the courts, an election was finally held and the Senate Professional Association certified as exclusive bargaining agent in January 1971.[13] By then the movement had developed considerable momentum. Central Michigan University had followed CUNY's lead in 1969, and by 1974 Joseph Garbarino could report that "more than one-fifth of the full-time teaching faculty in higher education were represented by recognized bargaining agents."[14]

The stage was also being set for reconsideration of unionization within Canadian universities. And once again the change was signalled by provincial legislative action, this time in Quebec.

Quebec Sets the Stage

Twenty years after Saskatchewan's pioneering labour legislation, Quebec became the second province to provide for collective bargaining by public servants and unionized professionals, the latter incorporated in the 1964 labour code. It was not initially clear just how the code might apply in the case of universities with professional faculties. Section 20 specified that members of each of the principal professions "shall necessarily . . . constitute a separate group."[15]

The first faculty union was established in 1966 in the Université de Montréal. The avowed purpose of the Syndicat des professeurs de l'Université de Montréal (SPUM) was to seek certification under the labour code. In her 1968 study for the federal Task Force on Labour Relations, Shirley Goldenberg summarized the dilemma facing SPUM:

> The multiplicity of academic disciplines ("professions") represented in the membership . . . is regarded by its organizers as a major legal obstacle to its accreditation. Any division of the bargaining unit, on the other hand, would erode its potential strength.[16]

In 1969 a group of radical faculty members broke away from the McGill Association of University Teachers and formed the McGill Faculty Union, with the avowed intention of seeking certification under the labour code. They received little support from their colleagues, however, and were unsuccessful in their certification drive.[17]

The engineering faculty within the Université de Sherbrooke pursued an alternative strategy, forming a separate professional union, the Association des ingénieurs-professeurs des sciences appliquées (AIPSA). Catching the university by surprise, it became Canada's first certified faculty union in November 1970.[18]

The success of the engineers prompted others to follow suit, and in October 1971 six additional faculty-specific unions (representing all of the faculties of the university except applied science and medicine) sought to bargain with the university through a common representative, the Fédération des syndicats des professeurs de l'Université de Sherbrooke (FSPUS).[19] This time the university was prepared, and took a firm position in opposition to a multiplicity of unions. The investigating officer agreed with the university, denying certification to the six unions and their federation. That decision, rendered in April 1972, was appealed to the labour tribunal and was upheld a year later.[20] Throughout this period, relations between the university and the FSPUS remained at an impasse, the university refusing to recognize a union that was not legally representative of all faculty members.[21]

Meanwhile, the first constituent units of Quebec's new provincial university system opened their doors in September 1969, under legislation passed the previous December. Very much children of the "quiet revolution," they offered an environment that was particularly conducive to the collectivist orientations of radical left-wing and nationalist faculty members. Nowhere was this more evident than in the flagship of the new system, the Université du Québec à Montréal (UQAM). Without traditional professional schools, it faced no difficulties *vis-à-vis* the labour code.

UQAM was created by combining five institutions: three normal schools, a school of fine art, and a classical college (the former Jesuit Collège Sainte-Marie which had for so long aspired to university status itself). The classical college and normal schools represented very different traditions with respect to institutional management and collective bargaining. Faculty from the college initially took the lead, founding the Association des professeurs de l'Université du Québec (APUQ), but when it presented a draft collective agreement to a general meeting of faculty in the fall of 1970, the agreement was repudiated and the association collapsed.[22] The resultant void was quickly filled by more avid unionists mostly drawn from the former normal schools. In October 1970, le Syndicat des professeurs de l'Université du Québec à Montréal (SPUQ) was born, affiliated with the militant Confédération des syndicats nationaux (CSN) through the Fédération des enseignants Québécois, the majority of whose members were CEGEP teachers.[23] The union quickly signed up a majority of faculty members and immediately applied for certification as legal bargaining agent. Certification was granted in January 1971.[24] Significantly, the certification order defined the bargaining unit to include not only directors of departments and teaching modules, but even vice-deans.[25]

The first round of negotiations at UQAM quickly demonstrated the confrontational character of adversarial bargaining. Negotiations began in February and by October the union was on strike. The strike lasted three weeks and ended when the university conceded most of the central points at issue: faculty control of departmental policy ("autogestion"), job security (tenure after four years), grievance rights, a standard teaching load, and a salary scale based solely on qualifications and experience.[26] Ending the strike did not end the confrontation, however, as faculty members and their union turned with a vengeance to exploit their new-found right to grieve administrative decisions. Within the first two months of the collective agreement, some 200 grievances had been filed.

In more ways than one, the UQAM strike marked the beginning of the end of faculty innocence in its pursuit of control of university government. As one of the key players in that strike observed, "... bargaining is not a rational dialogue between intelligent people, but is a relationship based on power."[27]

This was not generally appreciated at the time, however. In part, this was because it was all too easy to dismiss the situation at UQAM as an aberration, the unique product of a new institution, radical faculty leadership, and a provincial environment of rapid social and political change. A year after settlement of this first-ever strike of a university faculty union, Donald Savage, executive secretary of the CAUT, argued:

> The S.P.U.Q. is not likely, however, to become a model in Quebec in the near future. In the past two years the Quebec-based union federations notably the C.S.N. and the C.E.Q. (the latter being the federation which represents non-university teachers) have involved themselves in more and more revolutionary rhetoric and unsuccessful industrial action . . . which has alienated many of the middle class in Quebec including the faculty on most campuses outside the Université du Québec à Montréal.[28]

If the radicalism and industrial tactics of UQAM were too extreme for most faculty members, not just in Quebec but elsewhere in Canada as well, what was to be the preferred course of action? The immediate response seemed to be an ambivalent one, as academics and administrators alike engaged in a wide-ranging discussion and debate.

The Debate Over Unionization

The issue of faculty unionization unleashed a veritable torrent of debate and discussion, carried on through seminars, conferences, reports, articles and letters, and lasting for the better part of a decade. The essential lines of the argument were drawn virtually from the outset, however. One of the key factors in this was a report on faculty collective bargaining commissioned by the Association of Universities and Colleges (AUCC).

The Adell-Carter Report. In April 1971 Dr. A.W.R. Carrothers, a legal scholar of labour relations and president of the University of Calgary, asked Professors Bernard Adell and Donald Carter of Queen's to undertake "a preliminary study of methods of settling terms and conditions of employment in Canadian universities"[29] on behalf of the AUCC. The very genesis of the study was indicative of the changing university climate in Canada. The CAUT, although invited to do so, refused to co-sponsor the study. The era of joint AUCC-CAUT commissions was over.

The Adell-Carter study, published in 1972, offered a remarkably comprehensive analysis of the causes and probable effects of faculty unionization in Canada. Most subsequent analyses concurred with its conclusions.[30] It was also remarkably sympathetic to the cause of unionization.

One of the principal factors behind the growing interest in unions, Adell and Carter argued, was a changing market for university faculty members that was almost certain to be the legacy of the 1970s. Ominous signs of this change were clearly apparent in expressions of governmental concern over expenditures, coupled with declining enrolment and public distaste for student radicalism. This, in turn, gave rise to heightened concern over job security, including procedural safeguards in such decisions as those affecting reappointment, promotion, and tenure. Moreover, the successful examples of other groups of professional employees, within Canada and elsewhere, were rapidly dissolving the traditional antipathy of faculty members to trade unionism. In the past five years, Adell and Carter noted, "... total union membership has increased by more than one-third, due in large part to the growth of white-collar unionism."[31]

Adell and Carter echoed the view that the legislative environment was also becoming more conducive to the formation of professional unions. Saskatchewan, Quebec, and the federal government had all extended bargaining rights to public servants and professionals. Federal legislation not only recognized scientific and professional employees as constituting an occupational category, but specifically included "university teaching" as the functional definition of a group that might bargain collectively within the military colleges. And while Adell and Carter recognized the particular problem regarding the professions and the Quebec labour code, they concluded that existing provincial legislation, as interpreted by labour relations boards, was not a barrier to faculty unionization:

> We would conclude that most university faculty members do not come within any of the existing exclusions from the coverage of Canadian labour relations legislation, and that bargaining units of faculty members are therefore likely to be able to use that legislation to compel university administrations to bargain collectively.[32]

If unionization was a likely development, what consequences might be expected? For one, universities would have to get used to "creeping legalism":

> ... a system in which the attitudes of the most nit-picking and legalistic individuals in the university become the dominant attitudes.
>
> ....
>
> "Creeping legalism" is unfortunately inherent in the adversary nature of the collective bargaining relationship, and can be kept under control only by constant use of common sense on both sides.[33]

A second consequence was an inevitable conflict in faculty roles, resulting from the juxtaposition of collective bargaining and participatory management. Faculty members, they argued, "... want both the right to participate in running of their universities and the right to confront as adversaries the people who set their terms and conditions of employment. That there is a logical inconsistency here is beyond doubt."[34]

Adell and Carter could offer no solution to this conflict, except to downplay its significance by questioning the extent to which faculty really did participate in institutional management.

Finally, they accepted that collective bargaining would probably lead to strikes. The strike weapon was illogical in the context of a university, they suggested, but the alternative of compulsory arbitration was even more distasteful.

Recognizing where the ultimate paymaster was located, Adell and Carter advocated an approach to collective bargaining that would include the provincial government. In this, they suggested that bargaining could operate sequentially at two levels.

***Two-Tier Bargaining*.** The idea of two-tier bargaining was borrowed from Britain, with virtually no adjustment to take account of the vastly different labour relations regimes set out in Canadian provincial legislation and jurisprudence. "We ... envisage," wrote Adell and Carter,

> ... a "two-tier" system, with the upper tier consisting of negotiations between the provincial government or one of its agencies on the one side, and on the other side some sort of coalition between an association of universities or university heads and a federation of faculty associations .... The lower tier would be at the individual university level, and would involve whatever parties were appropriate in the particular university....[35]

The objective was to secure the best of two worlds: to maximize salary levels by negotiating directly on economic matters with the provincial paymaster, while at the same time enhancing faculty participation in university management by negotiating on other issues with boards of governors. To work, the adversary in the latter negotiations would have to be a partner in the former. The naïveté underlying this proposition was readily apparent in one explanation offered at a 1974 symposium by Roland Penner, a law professor in the University of Manitoba and a leading protagonist of faculty unionization:

> In the peculiar situation of the university there is, traditionally if not always operationally, a strong principle of shared authority and collegiality. There is a strong mutual dedication to excellence. That may well be the basis, as noted by Adell and Carter, for a form of collective bargaining in which an agreement is bargained and arrived at within the university. **Then, if it requires going back to the public trough and getting just a bit more of the pie, the university will go as a university—administration and academics together.**[36]

The idea was a popular one. It was strongly supported by the two major federations of faculty associations, the Fédération des associations de professeurs d'université du Québec (FAPUQ) and the Ontario Confederation of University Faculty Associations (OCUFA). Both had established working relationships with their counterparts at the governmental and university administrative levels. The problem for FAPUQ, however, derived from the nature and extent of its membership. Not all local associations were affiliated with FAPUQ. Moreover, some of those that were had already taken steps toward certification as unions, while others (particularly on the anglophone side) showed little interest in this course of action. FAPUQ would have had great difficulty in bargaining as the sole representative of all faculty members under these circumstances.[37]

Neither of these constraints applied in Ontario, where none of the faculty associations had moved to certification and all were members of OCUFA. Here, the idea of two-tier bargaining was pressed vigorously. OCUFA picked up the idea from the Adell-Carter report and, two years later, presented it to the Council of Ontario Universities (COU). A joint ad hoc committee was struck, comprising three faculty members (from Guelph, Trent, and Waterloo) and three presidents (from Carleton, McMaster, and Toronto). By March of 1975 the committee had reached a basic decision in favour of two-tier bargaining, outside of the Labour Relations Act, and had prepared a progress report for consideration by its two principals.[38]

The full details were not worked out, but the progress report called for an interim arrangement commencing in 1976-77 involving direct, province-wide bargaining on salaries between the COU and the OCUFA. Once agreement was reached between those two bodies, the result would be presented to the intermediary agency, the Ontario Council on University Affairs (OCUA), for subsequent recommendation to government. All other matters, including the determination of discretionary merit and career progress increments, would be the responsibility of individual universities, and here "... the possibility of local collective bargaining on issues other than those negotiated provincially is not precluded."[39]

In May, the OCUFA council approved the interim arrangement. The COU was unable to reach a consensus and, with the concurrence of the government, referred the issue to the OCUA for a policy decision. The OCUA, fearful of such massive government intervention in the management of universities, refused to endorse the proposal. With that, it died.[40]

Two-tier bargaining was not to be. If there was to be a regime of collective bargaining, it would be adversarial bargaining between individual universities and faculty unions. And it looked more and more certain that this was just around the corner. For one thing, the CAUT had completely abandoned its earlier ambivalence and had become a forceful and determined advocate of unionization.

The Transformation of CAUT

At about the same time that the AUCC initiated the Adell-Carter study, in the spring of 1971, the CAUT established its own committee on collective bargaining, chaired by Professor Arthur Monahan of Saint Mary's, and charged with gathering information and making recommendations "... on the nature of various forms of collective bargaining and their implications to faculty and faculty associations."[41]

Considerable irony attaches to the fact that while the study sponsored by the AUCC came out unequivocally in favour of faculty unionization and collective bargaining, the four-member CAUT committee was unable to reach a firm position. Instead, its members submitted individual working papers which were subsequently published in the CAUT *Bulletin* as a "symposium" on collective bargaining. Views ranged all the way from that of Professor Dubinski of Waterloo who asserted flatly that "[t]he industrial model for collective bargaining seems unsuited to the circumstances of the university," to Université de Montréal Professor Bernard Brody's conclusion that unionization is "the best of the range of imperfect instruments offering some hope of redress" of the deteriorating position of university faculty members.[42]

With the collective bargaining committee dormant, the initiative fell to the professional staff of the CAUT. In this, a change in personnel proved to be critical. Alwyn Berland, executive secretary from 1969 to 1972, was replaced by Donald Savage on January 1, 1973. Berland was at best lukewarm to the idea of unionization, confessing in a subsequent interview that he had "very mixed feelings about collective bargaining for university professors."[43] Savage, apparently, had no such reservations. At much the same time, changes were unfolding at the grassroots level.

Grassroots Developments. The University of Manitoba was already in tight, if not yet dire financial straits, while efforts to regularize administrative procedures by the new president, Dr. Ernest Sirluck, were perceived by some faculty members as excessively bureaucratic. Once again, it was a change in provincial labour legislation which tipped the scales. Premier Edward Schreyer had assumed office in 1969, heading a minority New Democratic Party government, and in 1972 the government introduced a new Labour Relations Act.

The act made two significant changes as far as university faculty unionization was concerned. First, it signalled the government's general support for unionization by reducing from 50 per cent to 35 per cent the proportion of potential members whose support was required to support an application for certification.[44] Second, it extended the right to unionize to professionals, but in so doing it specified that: "The Board shall not include professional employees in a unit with employees who are not professional employees unless it is satisfied that a majority of the professional employees wish to be included in the unit."[45] After considerable debate and revision, the act was passed in July, to take effect at the beginning of 1973.

The University of Manitoba Faculty Association (UMFA), which had agreed on its general course of action the previous April, asked the board of governors for voluntary recognition as exclusive bargaining agent for all faculty members and librarians, with a view to concluding a collective agreement on a wide range of matters. The letter was dated January 1, 1973, the very date on which the new labour legislation took effect.[46]

The board refused the UMFA's request, on the grounds that:

> ... it understood collective bargaining in the sense defined by the Labour Relations Act, whether through voluntary recognition or through certification, to be a formal adversary system implying a sharp distinction between management and labour. It did not see how such a system could be made compatible with the idea of shared responsibility that is the basic philosophy of the University of Manitoba Act.[47]

With that, the UMFA made a formal application in February to the provincial labour board for certification as a union. The bargaining unit on whose behalf it proposed to negotiate included all those holding academic appointments, whether occupying administrative positions or not, and including even the president of the university. The application was destined to be held up for months as the result of interventions, challenges and counter-proposals.

A month after the UMFA's application was filed in Manitoba, the faculty association at the tiny and troubled Notre Dame University in Nelson, B.C., was actually certified as bargaining agent for the faculty. This marked the formal birth of faculty unionization in anglophone Canada.

Preparing for Action. The CAUT responded, after extensive staff preparation, by reconstituting its collective bargaining committee.[48] Chaired by Charles Bigelow, past-president of the CAUT, and containing a roster of keen, aggressive, and committed academic unionists, this committee became the driving force behind the transformation of the CAUT's position. In so doing, it also spearheaded a virtual revolution in the management of Canadian universities.

The committee was specifically asked to develop "a statement of principles concerning the CAUT's policy in the matter of certification," with an interim report to be prepared by May.[49] The new committee moved quickly, with the result that the CAUT board was able to approve a set of interim guidelines on collective bargaining at its June meeting. Mostly concerned with the preservation of established CAUT policies in such areas as academic freedom, participatory management, and the right of individuals to appeal directly to CAUT, the guidelines nonetheless signalled a profound change in the associations's official posture. Gone was the position of "studied ambiguity."

Instead, "The C.A.U.T. recognizes that collective bargaining can be an effective means to obtain its objectives . . . ."[50]

It is worth noting that this followed by one year a similar turnabout in the official policy of the CAUT's American counterpart, the AAUP. The following resolution had been approved at its 1972 annual meeting: "The Association will pursue collective bargaining as a major additional way of realizing the Association's goals in higher education . . . ."[51]

Slowly but surely, the CAUT was being drawn into the role of advocate for formalized collective bargaining. It took the better part of another year, however, before it had shed the last vestiges of the old order. The event that most clearly marked the final step in this transformation was the certification drive at Saint Mary's University in Halifax and, in particular, the challenge mounted by the Canadian Union of Public Employees (CUPE) to represent the Saint Mary's faculty.

The Battle for Saint Mary's. Despite its recent transformation from Jesuit to lay control, Saint Mary's administration and particularly its president, Dr. Owen Carrigan, were widely perceived as authoritarian and unsympathetic toward faculty concerns. Donald Savage even went so far as to suggest that secularization may have made the situation worse. As a general pattern, he argued, secularization "usually results in a lay president who is more Catholic than the Pope, less learned and less humane than the priests, and alas, more credible than the clerical authorities."[52]

The issue at Saint Mary's was less a question of whether the faculty would unionize, but which union they would choose to represent them. CUPE represented the more militant option. It was seeking in Saint Mary's a beachhead in its drive to organize university faculty.[53] Competing with CUPE was the local faculty association, affiliated with CAUT and, in anticipation of the certification drive, recently reconstituted as the Saint Mary's Faculty Union. The competition forced CAUT's hand, for if it chose not to intervene it risked being overtaken by CUPE as the national representative of faculty interests. At the same time there was considerable risk in acting precipitously, given the opposition to unionization within many local faculty associations.

The choice was made to fight, and CAUT poured considerable resources into Saint Mary's. CAUT's professional organizer, Marie-

Claire Pommez, "spent a great deal of time organizing and helping to repel the onslaughts of CUPE."[54] Other head office staff helped as well, as did members of the collective bargaining committee, while a local lawyer was employed by CAUT to prepare and argue the case for certification.

The issue came to a head in March 1974, when the labour relations board ruled that the Saint Mary's faculty constituted a proper bargaining unit and ordered an election for April to choose the bargaining agent. The CAUT affiliate won that election, but by a rather slim margin (55 per cent as compared with CUPE's 45 per cent).

At Saint Mary's, as previously at UQAM and Notre Dame, the issue of professionals in the bargaining unit did not arise. This was to be a central issue in unionization movements at two other universities, Sherbrooke and Manitoba. And in these cases the initial resolutions pointed in opposite directions. At Sherbrooke, what had started in 1970 with the certification of a discrete union for the faculty of engineering, ended in February 1974 with the certification of a general union of faculty members.

Following the 1973 confirmation by Quebec's labour tribunal of the decision to deny certification to the federation of faculty-specific unions, FSPUS was itself transformed into a true union, the Syndicat des professeurs de l'Université de Sherbrooke (SPUS), and by the end of the 1972-73 academic year it had signed up a majority of the faculty and had applied for certification. At this point the university sought both to confirm and to extend the principle of a single, comprehensive unit by asking for the decertification of the engineers' union (AIPSA). The resultant decision supported the substance of the university's position but denied the application for decertification on the grounds that the argument should have been advanced in 1970.[55] With that, SPUS was certified to represent all faculty members except medical doctors (who were excluded from the bargaining unit) and engineers (who had their own union).

The Sherbrooke decision thus confirmed the principle of a single bargaining unit for all faculties in the university, a principle that would subsequently be extended to other universities in Quebec and, ultimately, across Canada. Initially, however, the Manitoba labour board seemed to set off in the opposite direction. Following a favourable vote by faculty at the University of Manitoba in November 1973, the board ruled in April in favour of certification. The scope of the bargaining unit was not finally determined, however. On the one hand, UMFA's inclusive application was not accepted; departmental chairpersons were to be included, but directors, deans, and senior academic administrators were not. The thorny problem was whether or not to include faculty members holding or claiming professional status, as that term was rather loosely defined in the labour relations act.[56] In a controversial decision, the Manitoba labour board ordered a separate vote by all eligible professionals in which the decision of a simple majority would determine the treatment of all. The vote was held in September, with the majority voting against inclusion. Of 264 eligible faculty members, 194 cast ballots. Of these, 101 voted against inclusion.[57] With that, the UMFA was finally certified in November 1974, albeit to represent a decidedly truncated bargaining unit.

The CAUT had crossed the Rubicon of unionization. There could be no turning back. It remained only to complete the transformation by formalizing and enhancing the CAUT's support for local associations.

Completing the Transformation. At the height of the battle over Saint Mary's, the CAUT board of directors considered and approved a major shift in the association's priorities, putting collective bargaining at the top of the list. This was more that just rhetoric. The annual budget would be increased by $135,000 in order to hire a second union organizer for the Ottawa head office, and to establish regional offices in Halifax and Edmonton to "assist associations in preparation for certification. . . . "[58] Finally, amendments to the interim guidelines on collective bargaining were approved, designed not only to give them permanent status, but also to strengthen the role of CAUT *vis-à-vis* local associations. All of this was confirmed in May by the annual general meeting.

Just before the decision on the application by the University of Manitoba Faculty Association for certification, Donald Savage had predicted that "the decision . . . , if positive, will open the floodgates for requests to the CAUT on collective bargaining for organization and assistance in negotiating agreements."[59] He was absolutely correct.

The Floodgates Open

When the floodgates opened in 1974, five universities, including the Université du Québec, faced faculty associations certified under provincial trade union legislation (eight if the constituent units of the

Université du Québec are counted separately). Six years later, in 1980, the number had more than quadrupled to 22 (again, the number is larger if federated, affiliated, and constituent units are counted separately; meanwhile one unionized university, Notre Dame in British Columbia, had closed). A listing of the institutions involved, with the dates of certification, is set out in Table 13.

Table 13
Universities with Certified Faculty Unions,
1974 and 1980

By 1974		1975 to 1980	
University	Date	University	Date
Manitoba	1974	Acadia	1976
Notre Dame	1973	Bishop's	1976
Québec		Brandon	1978
à Chicoutimi	1971	Carleton	1975
à Montréal	1971	Dalhousie	1978
à Rimouski	1973	Lakehead	1979
à Trois-Rivières	1971	Laurentian	1979
Saint Mary's	1974	Laval	1975
Sherbrooke		Moncton	1976
Engineering	1970	Montréal	1975
General faculty	1974	New Brunswick	1979
		Ottawa	1977
		Québec à Hull	1980
		Regina	1977
		Saskatchewan	1977
		Technical University of Nova Scotia	1980
		Trent	1980
		Windsor	1977
		York	1977

Source: CAUT *Bulletin*, December 1980.

The underlying causes of unionization had earlier been identified in the Adell-Carter and other studies. At the same time, the circumstances that persuaded faculty majorities in individual universities to vote for certification were, in each instance, unique. The story of faculty unionization through the latter half of the 1970s is thus an intriguing tale of general causes and particular circumstances.

According to a senior CAUT official, unionization at Carleton in 1975, the first Ontario university to take this step, followed quickly on the heels of an assertion by President Michael Oliver that inadequate provincial funding would almost certainly require faculty lay-offs. In response, faculty members voted by an almost 80 per cent majority to seek certification, which was granted in June 1975. No lay-offs materialized.

In the case of Saskatchewan, where informal collective bargaining had been in place since the early 1950s, Michael Hayden attributed the decision to seek formal certification to the duplicity of the principal, Robert Begg, in negotiating special deals for faculty members in law. An earlier agreement authorizing discretionary adjustments for law had expired in 1971. According to Hayden, Begg continued the practice without the knowledge or consent of the faculty association.

> After complaints had been made in September 1972, Begg had apologized and promised not to arrange such raises again. Yet he had.
>
> ....
>
> Between November 1973 and June 1976 the war escalated both between the association and the administration and between the association and some members of the College of Law. In the end, the faculty association applied for certification as a trade union. This had been an option in 1952. The faculty decided not to adopt it as long as voluntary negotiations worked. A majority of members now thought that they did not. In January 1977 certification was granted.[60]

Unilateral assertions of administrative authority were also at the root of the decision by Dalhousie faculty to apply for certification in February 1978. In this case it was the statement by President (and Senator) Henry Hicks that, to preserve an element of financial flexibility, probationary appointments and reappointments prior to tenure consideration would henceforth be made for terms of from one to three years, notwithstanding a provision in regulations only recently approved by both the senate and the board specifying that such appointments were normally to be for three years. Hicks's inflammatory, if technically accurate, explanation was that these were not normal times. With that pronouncement, a large proportion of young, untenured faculty members acquired instant job insecurity and became, in turn, a receptive audience for appeals to the collective security of unionism advanced by leaders of the faculty association. The board's subsequent rejection of voluntary collective bargaining, including binding arbitration and recognition of the Dalhousie Faculty Association as exclusive bargaining agent, was all that was required to trigger a majority vote in favour of certification.[61]

In the course of this rapid growth of faculty unionism, a number of issues were resolved in such a way that a common pattern of formal collective bargaining was securely in place across Canada by 1980. Three aspects of this pattern warrant particular attention. The first involves several issues related to the scope of the bargaining units to be represented by unionized faculty associations.

Defining the Bargaining Unit. Arguments over the scope of faculty bargaining units focused on two points: where the line should be drawn excluding faculty members exercising management responsibilities,[62] and whether professionally qualified faculty members should be included. On the first point, the arguments tended toward one of two extremes. At one extreme was the initial CAUT position, formally advanced in the Manitoba case, that no faculty member, not even the president, should be excluded on this ground. At the other extreme was an argument put forward by opponents of unionization that all faculty members, by virtue of their participation in the academic administration of the university, should be excluded.

Neither extreme was ever accepted by a provincial labour relations board. Rather, a pragmatic middle ground emerged as the standard in virtually all cases (Laval and Montreal were the only exceptions). The line was drawn between departmental chairpersons (included) and faculty deans (excluded), with assistant deans, directors of professional schools, and faculty members serving on boards of governors generally excluded as well. The key decision in this regard was taken by the Ontario Labour Relations Board in approving the application from Carleton's faculty association in 1975. Ontario's board, by a 2–1 majority and relying heavily on earlier arguments and decisions of the U.S. National Labour Relations Board, decided that: "Within the existing structures, as described in the evidence, we cannot conclude that Departmental Chairmen perform functions sufficiently different from those of their departmental colleagues to warrant their exclusion from the bargaining unit."[63]

The board conceded that the outcome might well pose a threat to collegial decision making, as the university's lawyer had argued, but if so the threat came from unionization itself and not from the inclusion of departmental chairpersons.

On the question of professionals, the initial decisions respecting Sherbrooke and Manitoba had pointed in opposite directions: at Sherbrooke a single, comprehensive bargaining unit, and at Manitoba the exclusion of all faculty members defined as "professionals." The immediate upshot at Manitoba was intriguing if not bizarre, and came very close to incorporating the very principle that had earlier been proposed and rejected at Sherbrooke. Within little more than a year of the formal certification of UMFA in November 1975, the University of Manitoba boasted no fewer than five faculty unions. Four of the professional faculties, excluded by majority vote from the general bargaining unit, formed separate unions, duly certified, but represented by UMFA as bargaining agent.[64]

The Manitoba situation was the product primarily of a peculiar clause in the provincial labour relations act. That clause was amended in 1976, with the result that by February 1980 the separate professional unions had been dissolved into a single bargaining unit which included all faculty members save medical doctors and dentists.[65]

Manitoba's final position confirmed the Canadian pattern. Where university faculties have chosen certification, the bargaining unit has been as inclusive as circumstances would permit. Only doctors and dentists have generally been excluded.[66] This principle has also held for groups of non-teaching staff whose responsibilities arguably establish a community of interest with faculty members. The most significant of these has been professional librarians who, for the most part, have been included in faculty bargaining units. Interestingly, it was a dispute over representation of librarians at the University of Ottawa which signalled the end of the affiliation battle between CAUT and CUPE.

The Question of Affiliation. The question of the affiliation of local bargaining units with a central organization was present virtually from the beginning, with the success of the militant faction at UQAM and its affiliation with the CSN. Trois-Rivières followed Montreal's example, but Chicoutimi chose to affiliate with the Centrale des enseignants du Québec (CEQ), the provincial teachers' union, as did faculty at the Institut national de la recherche scientifique (INRS), when they were certified in 1972. Rimouski, however, chose to remain independent.

This situation was further complicated in 1974, when Sherbrooke's union chose to continue its affiliation with the Fédération des associations de professeurs d'université du Québec (FAPUQ) following an election contested by all of the contending associations, including CUPE. The same choice was made the following year by both Montréal and Laval. Thus FAPUQ, like the CAUT, became a central union as well as a federation of professional associations, with non-unionized faculty associations at Concordia and McGill, and certified unions at Bishop's, Laval, Montréal and Sherbrooke.

Such a hodgepodge structure of union affiliation was not unlike that which emerged in the United States, where the National Education Association, the American Federation of Teachers, and the AAUP all compete for the affiliation of local unions, with the AAUP also containing non-unionized associations. In the event, however, it was only the constituent units of the Université du Québec which rejected affiliation with FAPUQ.

Outside of Quebec, Saint Mary's had chosen the CAUT after a vigorous battle with CUPE in 1974. CUPE tried one more time, in 1975, when it sought to represent professional librarians at the University of Ottawa. It lost that competition as well, the librarians being included in the general faculty union in affiliation with the CAUT. With that, CUPE withdrew from the fray.

The coordination of faculty unions in Canada was further strengthened in 1978 when FAPUQ and CAUT entered into a formal, three-year agreement (subsequently renewed) whereby faculty associations and unions in Quebec would be affiliated with CAUT by virtue of membership in FAPUQ. The agreement also established mechanisms for joint consultation on such matters as lobbying the federal government, and confirmed FAPUQ as the principal central organization for university collective bargaining in Quebec. Thus, with the sole exception of the Université du Québec, all faculty unions in Canada chose affiliation with CAUT, directly or through FAPUQ.

The CAUT even gave passing consideration to joining the Canadian Labour Congress (CLC) in solidarity with the broader trade union movement. Having considered the issue, however, the collective bargaining committee recommended against the move, a recommendation that was accepted by the annual meeting in 1979.[67]

If the CAUT was to remain aloof from the trade union movement generally, this was by no means an indication of its reluctance to act like a central union itself. Quite the contrary. The CAUT proved to be a formidable adversary in university collective bargaining, pursuing throughout the initial stages of unionization a very aggressive strategy.

CAUT's Aggressive Strategy

Once the CAUT decided to embrace unionization, it did so with great gusto. The driving force came from the professional staff, under Donald Savage, and the collective bargaining committee, known affectionately as the "travelling circus." The CAUT and its committee pursued a two-pronged strategy.

At the policy level, the objective was to keep bargaining at the institutional level and under private-sector legislation. There was strong resistance to special arrangements governing collective bargaining in universities, or to any extension of civil service legislation to the universities. According to a senior CAUT official, the reasons were simple and compelling. Public-sector bargaining legislation was generally more restrictive in what might be bargained, recognizing that public policy would be affected by the outcome, whereas general labour relations laws left the parties free to define the scope of negotiations. Moreover, special legislation would always be vulnerable to future amendments and thus to government manipulation of the bargaining process.

At the tactical level, the CAUT's central office provided extensive support to local associations, beginning with the provision of speakers and advice from the "travelling circus" to assist in organizing a certification drive, extending through the legal process of certification and negotiation of a first collective agreement, and continuing to the administration of the agreement once concluded. Workshops were organized to train faculty members in the arts of adversarial bargaining and grievance processing.

On the question of bargaining, the CAUT went well beyond tactical training. It was one thing to favour institutional bargaining; it was quite another to countenance widely varying outcomes in terms of what might actually be agreed upon. CAUT officials went to considerable lengths to ensure that no local association agreed to terms that might serve as difficult precedents, actually joining the union negotiating team in several cases and keeping a close watch on others.[68]

One of the most effective devices in this regard was the preparation of a set of model clauses, with extensive commentary, for use by local negotiators. Many of these were adaptations of policy positions formulated earlier, but they simultaneously provided local negotiating teams with powerful ammunition and CAUT officials with a standard against which to judge tentative local agreements.

The purpose in all of this was not to secure organizational control in Ottawa. Rather, the purpose was to ensure that collective bargaining did actually succeed in placing a secure legal foundation under the gains in participatory management which comprised the legacy of the Duff-Berdahl commission. The initial rounds of collective bargaining were not principally about economic benefits, and this often caught university negotiators off guard. The first prize was to safeguard appointment, promotion and tenure criteria and procedures, to protect existing practices of decentralized administration, to minimize the capacity to terminate employment or alter working conditions for financial reasons, and to wrap all of this securely in the blanket of binding third-party arbitration in the resolution of grievances. Job security and the right to grieve administrative decisions were the immediate goals; salaries and benefits could await future rounds of bargaining. It was an impressive strategy and it was pursued with striking success. All this was in marked contrast to the passive role played by the CAUT's counterpart on the management side, the AUCC.

The AUCC did not organize to combat the CAUT's aggressive strategy but chose rather to play a passive role limited for the most part to the provision of information without comment or advice. According to a senior staff member, the AUCC board did on one occasion direct that a model clause on financial exigency be developed. However, when the clause was presented to the board in the form of a position paper, it was rejected as too extreme.[69] This incident illustrates the profound ambivalence characteristic not only of the AUCC but also of many university administrators toward faculty unionization and collective bargaining. They might well consider the process distasteful and inappropriate, but they were nonetheless part of the same academic community and in sympathy with the ideal of faculty self-government and participatory management. Indeed, their strongest objection to union demands was often that they were unnecessary; the goal had already been achieved.

It is certainly the case that those who entered the bargaining process on the university side of the negotiating table were seldom well prepared, in some cases convening for the first time just before meeting their adversaries. The result was that the union team invariably set the agenda, with the management team reduced to a strategy of damage control. Donald Savage was moved to comment, rather disingenuously under the circumstances, that management's "lack of experience and ignorance" did not work to the advantage of the faculty:

> . . . instead it leads to procrastination, refusal to consider experience outside the particular university or province and thus negates one of the cardinal attractions of collective bargaining, namely that a significant package of terms and conditions of employment can be negotiated at one time and within a reasonable period of time.[70]

If faculty unions had the advantage in being better prepared for bargaining, they also had access to a powerful weapon should negotiations bog down. One consequence of choosing certification under existing provincial labour legislation, of course, was that the ultimate means of breaking an impasse became the strike.

Faculty Unions and the Strike

Despite considerable rhetoric to the contrary, the CAUT, FAPUQ, and local faculty unions have from the beginning accepted the strike as a legitimate weapon in collective bargaining. In the context of the university, the strike is entirely a one-sided instrument. As publicly funded, non-profit institutions whose sole purpose is educational, universities cannot realistically make use of the management lock-out (except in the passive sense of closing the university in response to a faculty strike). Moreover, the effectiveness of a strike by faculty depends almost entirely on the use of students (and their parents) as pawns to generate pressure on boards of governors in the first instance, and on provincial governments in the final analysis. It is no coincidence, for example, that a faculty strike has never been called between May and September.

The first faculty strike in Canada occurred as part of negotiations leading to the first general collective agreement, at the Université du Québec à Montréal (UQAM) in 1971. It lasted three weeks and secured the union's principal demands. In its first round of bargaining in 1974 the Saint Mary's faculty union applied for conciliation under the trade union act, the first step on the road to a strike, but agreement was reached before this final sanction was invoked.

It was the double-barrelled strikes at Laval and UQAM in 1976-77, however, that marked the final loss of innocence on the part of faculty unions in Canada. Laval's faculty union, the Syndicat des professeurs de l'Université Laval, was certified in January 1975. Negotiations finally began the following December, but after eight months had bogged down with the two sides far apart on a number of key union demands, including departmental control of appointment and promotion decisions (department heads were outside the bargaining unit), job security and tenure, and a common salary structure for the whole university.[71] A strike vote was held on August 23, resulting in authorization to call a strike for September 7 if no agreement had been reached by that date. The strike date was not chosen casually; September 7 marked the beginning of registration for the fall term.

It seems that just about everyone miscalculated the consequences of their actions. According to Paul-André Laberge, the administration was badly prepared for negotiations, anticipating a simple process similar to that experienced with support staff in which bargaining was limited to salaries and immediate working conditions and involved only a few formal negotiating sessions. The faculty, on the other hand, anticipated that a strike, if called, would be over in a matter of days.[72] Despite last-ditch efforts, no agreement was reached and on September 7 striking faculty members set up picket lines. On September 8 the university was officially closed, although support staff continued to be paid.

The strike put the union and its members in a precarious financial position. There was no strike fund, and the union was not legally in a position to borrow money to create one. Initially, a group of 30 faculty members personally borrowed $13,000 each to cover the cost of strike pay at $75 per week.[73] Faculty associations across Canada quickly joined in, pledging substantial amounts either voluntarily or through special levies.

The situation was further complicated when, on October 18, the faculty union at UQAM also went on strike to press its demands for a third collective agreement. In both cases the issues revolved around the power to manage the university and whether key decisions affecting faculty members, including promotion and tenure, were to be taken on the basis of administrative authority or collective peer judgment.

The points at issue in the strike were thoroughly aired in a public debate carried out via an almost daily stream of news stories, letters, guest columns, editorials, and paid advertisements in Quebec's major newspapers, and especially in *Le Devoir*. Indeed, at times it seemed that more effort went into explaining the nature of the conflicts that in seeking to resolve them.

In the case of Laval the rector, Larkin Kerwin, set forth the university's position in an article published on September 30. The university and the union were, he argued, committed to the same basic objectives: "... une université fondée sur la liberté et la collégialité." Moreover, since the reorganization of the university's governing structures under the provincial charter of 1971, "... le pouvoir est, de fait, entre les mains du corps professoral." A university still had to be managed, however, and this meant that decisions had to be taken with reasonable speed and with due regard for the interests of society as well as the welfare of professors. Directors and deans, he concluded, had to retain sufficient authority to act, subject to their ultimate accountability to their departmental and faculty colleagues.[74] The union, by contrast, wanted decision-making authority in the hands of academics collectively, not individual academic administrators.

In the case of UQAM, an added complication was the union's opposition to a perceived shift in authority from UQAM itself to the Quebec city headquarters of the Université du Québec and its president, Robert Després. On October 25, SPUQ formally charged UQAM with failing to bargain in good faith.[75] Unlike Laval, the UQAM faculty was not entirely united in its strike. Faculty members in the department of administrative science refused to join, and persisted in holding classes throughout the strike, albeit off campus.

Both strikes reached a particularly bitter stage when SPUL called a news conference on November 1 to reveal confidential documents showing that the universities, through the Conférence des recteurs et des principaux des universités du Québec (CREPUQ), had worked on a common management position during 1974-75 on a number of issues related to collective bargaining with faculty unions. SPUL accused the university officials of holding to an imposed mandate; the university replied that the wide variations between contracts already negotiated attested to the fact that this was not so.[76] Union officials declined to explain why they considered it illegitimate for universities, but not for faculty associations, to cooperate on matters related to collective bargaining.

Sporadic negotiations took place at Laval through September and October, but it was not until Daniel Soberman of Queen's was brought in as a special mediator in mid-November that bargaining resumed in earnest. A tentative agreement was concluded a month later, just two days before Christmas. The strike had lasted 107 days, but ended with a major victory for the union. This was confirmed by the back-to-work agreement in which faculty members received extra pay equal to exactly half of that lost by virtue of the strike, albeit justified on the grounds that extra teaching duties would be involved in making up for the lost term.

The Laval strike highlighted a problem inherent in the combination of unionization and unicameralism. The legal authority of Laval as the employer under the labour code was vested in the governing council, the conseil de l'université. This body, however, was made up of representatives of the four "estates" comprising the university community, including faculty members who were now also members of the union. As Paul-André Laberge quite properly pointed out, in a conflict between the union and the university, faculty members on the council were simultaneously parties to the dispute and judges of its resolution.[77] What had been a manageable test of institutional loyalty under the original reforms had thus been transformed into a conflict of interest.

It was an unfortunate twist of fate that Larkin Kerwin's five-year term as Laval's first elected rector expired in February 1977, with the result that an election would normally have been organized in the midst of the strike. In the event, the election was postponed to March 1, and Jean-Guy Paquet, Kerwin's successor as vice-rector for instruction and research, was elected. Kerwin came third, "une victime expiatoire de la grève."[78]

The UQAM strike continued until February 4 (108 days in total, one day longer than at Laval) and was finally settled with the assistance of two conciliators appointed by the Quebec Department of Labour. It took two weeks more to negotiate a back-to-work agreement, however. At both UQAM and Laval, the university term was extended in such a way as to offer something approximating a regular year's class work for students.

The new Parti Québécois government of Hon. René Lévesque, elected in the midst of the two strikes in November, had refrained from intervening directly in either dispute. Its response was rather to announce in January its intention to launch a major study of Quebec's university system. This announcement led to the establishment of the Commission d'étude sur les universités in June 1977.

The strike at Laval also precipitated the establishment of a contributory strike fund by the CAUT. Euphemistically called a "defence fund," the decision to recognize the strike as a recurring phenomenon was described by Roland Penner as marking "... a basic 'rite of passage' in CAUT as it moves from being a 'closet union' to a more active role in the organizational, bargaining and representational functions of collective bargaining."[79]

The constituent units of the CAUT were far from unanimous in their attitudes to unionization. Some were particularly opposed to the use of the strike, and this opposition largely explains the development of alternative approaches to collective bargaining and dispute resolution in a number of universities.

Alternatives to Certification

The most common alternative to certification under the applicable provincial labour legislation has been voluntary recognition by the university board of governors of the local faculty association as exclusive bargaining agent for faculty members. Indeed, it was frequently the denial of this option by a board which propelled the faculty association into applying for certification. Voluntary recognition of a limited variety was accepted in Saskatchewan in the 1950s, only to be rejected by the faculty in 1976. It was in Alberta, however, where this alternative was pursued with considerable imagination.

Collective Bargaining in Alberta. The University of Alberta had been among the first to establish a regular process of discussion regarding salary levels. This process had been formalized somewhat in 1950-51 after the establishment of the faculty association. Annual discussions concerning salaries and related monetary issues continued through the 1960s in what seemed to be a satisfactory fashion. The process was complemented in 1966 by the addition of an agreement between the board and the general faculties council (GFC) covering academic terms of employment, such as appointments and tenure, and considered to be part of the employment contract of each faculty member.[80]

A problem arose in 1969-70, however, when no agreement was reached on salaries and, in consequence, the board acted unilaterally. The faculty association, having examined the available alternatives and consulted its members, proposed via the GFC that the board agree to a binding procedure for resolving any future impasses. The board agreed, and by the fall of 1971 the University of Alberta had adopted what was then an innovative form of binding interest arbitration, known as "final offer selection." Under this arrangement, if agreement had not been reached after a specified period of collective bargaining, each party would submit its final position to a neutral arbitrator whose choice would be final and binding, but limited to selecting the whole of one or the other package. All of this was concluded without reference to the provincial labour relations act.

By all accounts, the voluntary arrangement at the University of Alberta has worked extremely well. On balance, the university's final offer has been selected more frequently than that of the faculty association, but one of the advantages of this form of arbitration is that it forces both parties to come close to each other's position, even if they cannot actually reach an agreement, before arbitration. Otherwise, the risk is great that the other side will "win." According to Gordon Unger, executive secretary of the faculty association:

> Even when agreement has not been reached the differences between the parties have become sufficiently small during the negotiating process that the award, no matter which position has been chosen, has been regarded as "reasonable" by most members of the Board of Governors and of the academic staff.[81]

A somewhat similar arrangement emerged also at the University of Calgary. Active consideration of collective bargaining began in the fall of 1972, when the University of Calgary Faculty Association (TUCFA) distributed to its members a questionnaire adapted from that used two years earlier at the University of Alberta. The response indicated strong support for collective bargaining, under the Alberta Labour Act if necessary, but by means of voluntary recognition if possible. On the central issue of the strike weapon, Karl Friedmann concluded that "there is no enthusiasm for striking here, but we find a quite surprising readiness to think about it if all reasonable alternatives should prove unsuccessful."[82]

Reasonable alternatives were successful, however, and by 1975 the board and TUCFA had concluded, voluntarily, "An Agreement to Bargain Collectively" covering a wide range of economic matters. In this case the agreement also culminated in binding arbitration, but not final offer selection. A three-person arbitration board would be free to construct its own compromise.

The fact that Alberta's universities had already established effective collective bargaining relationships (Lethbridge and Athabaska also adopted regimes involving final offer selection arbitration) undoubtedly blunted the consequences of anti-union legislation passed in 1977.

Ironically, the primary purpose of the Public Service Employee Relations Act was to grant limited collective bargaining rights to provincial civil servants. Universities were explicitly excluded from its provisions, however. Moreover, the act also amended the Universities Act by first deleting a clause which had made universities subject to the Crown Agencies Employee Relations Act, and then substituting a clause specifying that "the Alberta Labour Act . . . does not apply to the board or Academic Staff." The upshot was quite simply to leave the province's universities and faculty members without any legislation covering their employment relationships.

Despite this, and no doubt partly because of a healthy economic environment, faculty members fared quite well under their voluntary arrangements. The comment of TUCFA's executive secretary is telling: "We have been able to use arbitration to substantially strengthen our otherwise very weak position . . . . [W]e have been successful in obtaining employment conditions which, although not the best in Canada, do compare favourably with most similar institutions."[83]

Having completely cleared the legislative ground, the next step was quite unique in Canadian experience. In 1981 a further amendment to the Universities Act gave statutory security to existing arrangements for collective bargaining. Boards were henceforth required to bargain collectively with their faculty associations which, in the case of each university, were defined as corporations consisting "of the academic staff members of the university." They were further recognized as having "the exclusive authority, on behalf of the academic staff members, to negotiate and enter into an agreement."[84]

The legislation required that all collective agreements contain "procedures respecting the settlement of differences between the parties arising from the interpretation . . . of the agreement." If such were not agreed to a process of binding arbitration, as set out in detail in the act, would apply. What is of particular interest is that the universities have agreed to continue their established systems of arbitration, not only in disputes concerning rights, as required by law, but also in disputes over interests, including salary levels.

Alberta's universities have thus arrived at a thoroughgoing structure of collective bargaining which excludes the strike option and which has the security of legislative protection. That this structure, with individual variations from university to university, emerged from negotiations within the universities themselves, is probably its greatest strength. The same strength, but not the legislative security, attaches to arrangements in British Columbia.

Collective Bargaining in British Columbia. As in so many matters of public policy, academic staff relations in British Columbia present a study in contrasts. The very first university outside of Quebec to face a unionized faculty was Notre Dame in Nelson, a university that was subsequently closed by provincial decision. The University of British Columbia itself came very close to unionization and remains the only case in which faculty have reversed a decision to apply for certification.

In February 1974 the executive of the UBC faculty association proposed that consideration be given to a variety of options, including formal certification. To the surprise of almost everyone, the membership rejected this proposal and voted instead to proceed to certification immediately. That decision was confirmed a month later in the form of amendments to the association's constitution required to satisfy the legislative definition of a trade union.[85] An active campaign was then launched to sign up supporters, a campaign in which the CAUT provided staff support. By September a majority of faculty had signified their support and the association formally applied for certification.

Despite this, there was strong and continuing opposition to unionization, and a counter-campaign was undertaken to persuade faculty members to revoke their support. A former president of the faculty association was a key participant in this campaign. The major breakthrough came in early October when the board of governors agreed in principle to voluntary collective bargaining with the faculty association as sole bargaining agent. With that, opponents of unionization were successful in reversing the earlier decision, and the application was withdrawn.[86]

UBC's special plan bargaining involves three components. First, an agreement covering academic matters such as appointments, promotion, and tenure runs indefinitely and can be reopened only by mutual agreement of the two parties. Second, a general, or framework, agreement setting out the procedure for negotiation of economic matters extends for five years. Finally, actual salary increments are negotiated annually.

In cases where the parties do not reach agreement in negotiations on salaries, the matter is resolved by arbitration and the strike weapon is specifically prohibited. A single arbitrator was used initially, but following renegotiation of the framework in 1985 a three-person board was substituted. The decision of the board is binding on both parties if it is unanimous. If not, the university is free to reject it. Moreover, "[i]n making its award, the arbitration board shall give first consideration to the University's ability to pay the cost of an award from its general purpose operating funds."[87]

Simon Fraser University adopted a voluntary collective bargaining regime very similar to that of UBC. The University of Victoria, on the other hand, has carried on with what can best be described as annual discussions concerning salary matters. There is no collective bargaining.

In September 1977, only four months after Alberta banned certified faculty unions, British Columbia followed suit. In this case the legislation was buried in an omnibus Miscellaneous Statutes Amendment Act, and was apparently introduced without consultation with either the universities or faculty associations. Section 38 of that act added a new, one-sentence, clause to the Universities Act: "The Labour Code of British Columbia does not apply to the relationship of employer and employee between a university and its faculty members."[88]

In explaining the purpose of the provision, Hon. Patrick McGeer, minister of education and a tenured faculty member on leave from UBC, argued that the existing government-university relationship, embodied in the Universities Act, "... is based upon the traditional university model," a model passed down through many generations and consisting of four principles: academic freedom, collegiality and shared management responsibility, tenure, and the pursuit of excellence on an individual basis. The minister claimed that universities were free to abandon this model in favour of the confrontation inherent in the trade union model, and if this were established by majority vote of the faculty, "... we will bring amendments in which will permit them to take that route." Then, without ever specifying just what he had in mind, he coupled this assurance with the thinly veiled threat that "at the same time the Ministry of Education will adjust its policies to suit the trade union model."[89]

In fact, none of the province's universities has subsequently shown interest in unionization, and officials of the three faculty associations confirm that their colleagues would not choose that route even if it were legally available to them. It is interesting that while British Columbia copied Alberta in prohibiting faculty unions, it did not do the same in confirming the right of faculty associations to bargain collectively outside the labour code.

A number of other universities have pursued collective bargaining without the right to strike. Some, like Manitoba, Carleton, and Ottawa, have negotiated in their collective agreements procedures for binding arbitration on economic issues. Others, like Waterloo and the University of Prince Edward Island, have negotiated special plans on the basis of voluntary recognition. UPEI adopted a form of final offer selection arbitration, one in which the arbitrator is free to select from the final positions of the two parties on an item-by-item basis. The University of Toronto also managed to avoid the possibility of strikes, devising a particularly flexible form of collective bargaining.

Special Plan Bargaining at Toronto. Toronto's version of collective bargaining was put in place during 1976-77, and was intended from its genesis to avoid:

> ... a bitter struggle pitting one element of the university against another in an escalating spiral of rhetoric, hostility and divisiveness leading inevitably to trade union certification and the polarization of the university community into a strict employer-employee dichotomy—the very antithesis of the ideals of collegiality and self-government for which the university has traditionally stood.[90]

Agreement was reached in May 1977, after less than five months of negotiations. It dealt mainly with procedures for salary determination, simply recognizing—but also thereby securing—established policies in a number of areas such as appointments and tenure or creating collegial processes for developing policies where none existed. On salaries, the "Memorandum of Agreement" set out a three-stage process involving negotiation, followed by mediation and, if necessary, an arbitrated settlement determined by the mediator.

Initially, the decision of the mediator-arbitrator could be rejected by a simple majority vote of the governing council, but this procedure was tightened considerably after an arbitration in 1984, constrained by what would be acceptable to the council, came in well below what the faculty association considered acceptable. After more talk of certification, the governing council agreed to a complex procedure whereby the decision of a three-member arbitration board is final and binding if it is unanimous. If the decision is not unanimous, then the governing council may reject it if so recommended by the president. This action, however, automatically triggers a compensating provision. If an award is rejected by the governing council, then the award in the following year becomes final and binding whether or not it is reached unanimously. Toronto made major concessions to avoid certification. At the same time, it may have signalled a stabilization of labour relations in Canadian universities.

The Situation Stabilized

The momentum behind unionization had mostly been spent by the early 1980s. A few faculty associations subsequently moved to certification,[91] while others developed more or less formalized relationships involving special plans outside of their provincial labour codes. None moved to decertify a union. A summary of the current situation is presented in Table 14. As can be seen, the majority of universities (59 per cent) have unionized faculties. There are a disproportionate number of smaller institutions in the unionized column, however. As well, not all faculty members in a university that is unionized are included in the bargaining unit represented by the union. Consequently, although the majority of universities are unionized, these units include less than half (approximately 45 per cent) of all faculty members.[92]

Table 14
Universities With and Without Certified Faculty Unions (Federated and Affiliated Units Incorporated), 1990

With Certified Unions	Without Certified Unions
Acadia	Alberta
Bishop's	Athabaska
Brandon	British Columbia
Carleton	Brock
Concordia	Calgary
Dalhousie	Cape Breton
Lakehead	Guelph
Laurentian	Lethbridge
Laval	McGill
Manitoba	McMaster
Memorial	Prince Edward Island
Moncton	Queen's
Montréal	Ryerson
Mount Allison	Sainte-Anne
Mount Saint Vincent	Saint Francis Xavier
New Brunswick	Simon Fraser
Nova Scotia College of Art & Design	Toronto
Ottawa	Victoria
Québec	Waterloo
Regina	Western Ontario
Saint Mary's	
Saskatchewan	
Sherbrooke	
Technical University of Nova Scotia	
Trent	
Wilfrid Laurier	
Windsor	
Winnipeg	
York	

Unionization and Institutional Quality. Separating Canada's universities into two categories, as in Table 14, begs the question of whether there are general characteristics which distinguish the two. The question is partly begged by the evidence which emerged from a 1972 survey undertaken in the United States by E.C. Ladd and S.M.

Lipset. Among many interrelated factors, their data indicated quite clearly that "... professors of low scholarly achievement give greater backing to the principles of collective bargaining than do their more productive colleagues ...."[93]

There has to date been no comparable survey undertaken in Canada, so comparisons on an individual basis are not possible. However, Ladd and Lipset also found the same general results emerged when comparing institutions: "... faculty at major centers of research and scholarship are significantly less supportive of unionism than their colleagues at academically weaker institutions."[94]

Again, it is not possible to map individual attitudes against institutional quality in Canada, but it is clearly the case that the most research intensive universities have disproportionately rejected unionization. For example, of the top 10 universities in terms of proportions of federally sponsored research grants, only three are unionized. Similarly, only five of the top 15 are unionized.[95]

One American distinction that has little relevance in Canada is that between public and private universities. The separate treatment of the latter, in terms of labour relations, led to a landmark court decision regarding Yeshiva University in New York City which undercut a fundamental tenet of faculty unionization.

The Yeshiva Decision. The background to this case began with the 1970 decision of the National Labor Relations Board (NLRB) that it would henceforth assume jurisdiction, under the National Labor Relations Act, over labour relations cases in private, non-profit colleges and universities with gross annual incomes of at least $1 million (public institutions would continue to be covered by state legislation and regulatory tribunals).

The specific issue arose in 1974 when the faculty association at Yeshiva applied for certification. The university opposed the application on the grounds that all faculty were managerial personnel and therefore not "employees" within the meaning of the act. The NLRB rejected the university argument, and granted certification in December 1975. The university refused to negotiate, however, despite a charge of unfair labour practices by the union and an order to enter into bargaining by the NLRB. Eventually, the NLRB sought an enforcement order from the United States Court of Appeals, but the court denied the request, ruling in 1978 that the faculty at Yeshiva were essentially operating the institution and consequently "... are endowed with 'managerial status' sufficient to remove them from the coverage of the Act."[96] That decision was appealed to the United States Supreme Court, whose decision upholding that of the court of appeals was rendered in February 1980.

The nine judges of the Supreme Court split 5 to 4, the majority finding that

> The controlling consideration in this case is that the faculty of Yeshiva University exercise authority which in any other context unquestionably would be managerial. Their authority in academic matters is absolute. They decide what courses will be offered, when they will be scheduled, and to whom they will be taught. They debate and determine teaching methods, grading policies, and matriculation standards. They effectively decide which students will be admitted, retained, and graduated. On occasion their views have determined the size of the student body, the tuition to be charged, and the location of a school. **When one considers the function of a university, it is difficult to imagine decisions more managerial than these.**[97]

The court did not reject the argument that faculty were also professional employees, but concluded that "... the faculty's professional interests—as applied to governance at a university like Yeshiva—cannot be separated from those of the institution."[98]

The Supreme Court decision was phrased very broadly, implying that its consequences would extend generally to private institutions with mature structures of participatory management. This is precisely what happened. Within days of the decision, other private institutions moved to take advantage of it, refusing to bargain with previously certified unions, breaking off negotiations already under way, or refusing to renegotiate collective agreements when they expired. Within a year, no fewer than 32 universities or colleges had followed Yeshiva's lead.[99] The longer term effect was to bring the unionization movement in private universities to a complete stop. Indeed, even some public institutions, governed by state law, were affected by the application of the logic underpinning the Yeshiva decision.[100]

No such developments have occurred in Canada, however. Even when the Yeshiva precedent has been cited explicitly, as in the university's opposition to certification at Mount Allison in 1982, the argument has been rejected by provincial labour relations boards.[101]

The Impact of Unionization. There have been few empirical studies of the effects of faculty unionization on salaries, working conditions, or organizational behaviour. The few that have been undertaken have been inconclusive. In a master's thesis completed at the Université de Montréal in 1981, Jacques Marois found that any gains in median salaries in unionized as compared to non-unionized universities in Quebec were marginal at best. On the other hand, he noted a tendency for unionized universities to move toward automatic salary increments and promotion ("... le caractère de plus en plus automatique de la structure de rémunération dans ces universités").[102] The pattern outside Quebec would seem to support the latter observation, as discretionary increases based on merit have mostly given way to automatic "progress through the ranks."

Michael Skolnik and Geraldine Woodford examined Ontario's experience and found that while average salary increases between 1972-73 and 1984-85 favoured faculty members in unionized universities, the advantage was so small as to be almost negligible (approximately 2 per cent). And at the same time, the gap in absolute dollars between average salaries in the highest paying (non-unionized) and lowest paying (unionized) university had actually doubled (from $5,000 to $10,000).[103]

Still, hope springs eternal in the breast of the committed unionist. Noting that in Ontario average salaries were actually higher in non-unionized universities, Trish McAdie of OCUFA concluded that in order to improve the situation, the "most obvious strategy is to extend faculty unionization."[104]

On the other hand, there is considerable agreement between union supporters and academic administrators that unionization and collective bargaining have been beneficial in rendering explicit the procedures and criteria governing personnel decisions:

> The formation of academic unions in Canadian universities has had a beneficial effect on the definition and codification of rights and responsibilities of teachers, students and administrators. The absence of such codification underlay much of the disorder of the late 1960s and early 1970s and contributed to the rise of academic trade unions.[105]

But if this has been the major benefit of unionization, it too has come at a price. It may be an exaggeration to state, as did the authors of *The Great Brain Robbery*, that unionization has brought in its wake a "creeping mediocrity" which, along with democratic management, is "paving the road to hell in higher education."[106] But as Jean-Guy Paquet was quoted as observing just after the lengthy strike at Laval and his own election as rector, ". . . procedures are fairer at Laval as a result of the strike and the first contract. The administration will be less arbitrary, since the procedures to be followed are clearer. However, . . . the administration of the university will become more bureaucratic."[107]

When all is said and done, there is probably no basis for a definitive assessment of the normative effects of unionization. The impetus came from rapid change, both within the university itself and in its public policy environment, as well as a sense of insecurity on the part of faculty members. It has not produced the keys to the treasury, any more than the drive for democratic management did earlier. Those keys remain firmly in the hands of provincial governments, for whom concern for fiscal prudence has long since overtaken enthusiasm for university development. Still, unionization has also not wrought a factory-like working environment, and for the most part the inherent tension, if not conflict, between unionization and faculty participation in university government has at least been managed without flagrant disregard for the public interest.

The earlier reforms, which secured for faculty committees and departments effective control of appointments, promotion and tenure, are now embedded in binding contracts. True to the spirit of "creeping legalism," these contracts leave as little as possible to individual judgment—especially the judgment of academic administrators. The familiar "weasel" words of earlier regulations, and especially the ubiquitous adverb "normally," have given way to the obligatory "must" and "shall" in university collective agreements. And, strengthened by the ever-present prospect of grievance and arbitration, the very language of decision making has changed. No longer is the talk of justifying a positive decision; rather, the characteristic question has been reversed: will the available evidence sustain a negative decision?

This reversed or negative onus is nowhere more apparent, or indeed more worrisome, than in decisions on tenure. The combination of having to justify the denial of tenure and subsequently to bear the burden of onus in cases of dismissal for cause, leaves universities and their senior academic administrators very little opportunity to remove any but the flagrantly incompetent. Nor do they have much flexibility even within permanent employment. One need only reflect momentarily on the suggestions of W.P. Thompson for dealing with unsatisfactory faculty members, cited earlier* to appreciate that almost every step he outlined would give rise to a successful grievance under the contemporary regime of faculty unionization and collective bargaining.

Thus has decision making been rigidified. Thus, in turn, has the capacity of universities to manage rationally and effectively under conditions of financial constraint been reduced.

Notes

1. J.A. Corry, "Canadian Universities: From Private Domain to Public Utility." Originally a lecture delivered at the University of British Columbia. Subsequently published in *Farewell the Ivory Tower: Universities in Transition*. Montreal: McGill-Queen's University Press, 1970, pp. 101-12.
2. See Frank Abbott, "Founding the Canadian Association of University Teachers, 1945-1951." *Queen's Quarterly*, vol. 93, no. 3 (Autumn 1986), p. 515.
3. In 1976 Kenneth P. Mortimer and Mark D. Johnson noted that in the United States "... the growth of faculty collective bargaining, to date, has closely paralleled the enactment of state collective bargaining laws." Mortimer and Johnson, "Faculty Collective Bargaining in Public Higher Education," *Educational Record*, Winter, 1976, p. 34.
4. Doris French Shackleton, *Tommy Douglas*. Toronto: McClelland and Stewart, 1975, p. 177.
5. Michael Hayden, *Seeking a Balance: The University of Saskatchewan, 1907-1982*. Vancouver, University of British Columbia Press, 1983, p. 221.
6. Ibid., pp. 222-23.
7. See James Mallory, "Teachers' Union," *Queen's Quarterly*, vol. LXI, no. 1 (Spring 1954). See also, Frank Abbott, ibid.
8. The seven universities were Alberta, Laval, McGill, Queen's, Saskatchewan, Toronto, and UBC.
9. The eight additional associations were at Carleton, Dalhousie, Manitoba, McMaster, Memorial, Montreal, Sir George Williams, and United College.
10. In 1966 the AAUP council approved the following statement:

> The Association prefers that all faculty members participate in making decisions and protecting their economic interests

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* *Supra*, p. 475.

> through structures of self-government within the institution, with the faculty participating either directly or through faculty-elected councils or senates. As integral parts of the faculty, such councils or senates can more effectively and appropriately represent the faculty than any outside organization acting as exclusive representative.

AAUP *Bulletin*, Summer 1966, p. 229.

11. Albert J. Robinson, "Would Collective Bargaining Increase Academic Salaries?" CAUT *Bulletin*, April 1968, p. 74.

12. Sheila Stern Polishook, "Collective Bargaining and the City University of New York," *The Journal of Higher Education*, vol. XLI, no. 5 (May 1970), pp. 377-79.

13. Robert S. Fisk and William C. Puffer, "Public University System: State University of New York," in E.D. Duryea, et al., *Faculty Unions and Collective Bargaining*. San Francisco: Jossey-Bass, 1973, pp. 130-55.

14. Joseph Garbarino, *Faculty Bargaining: Change and Conflict.* A report prepared for The Carnegie Commission on Higher Education and The Ford Foundation. New York: McGraw-Hill, 1975, p. 4.

15. 12-13 Eliz. II, Chap. 45 (S.Q.). The professions specified in this section included lawyers, notaries, physicians and surgeons, pharmacists, dentists, veterinarians, engineers, land surveyors, architects, optometrists and opticians, chartered accountants, and professional chemists.

16. Shirley B. Goldenberg, *Professional Workers and Collective Bargaining*. Study No. 2 for the Task Force on Labour Relations. Ottawa: Queen's Printer, 1970, p. 66.

17. S.B. Frost, McGill University: For the Advancement of Learning. Montreal: McGill-Queen's University Press, vol. II, 1984, p. 458.

18. Andrée Désilets, et al, *Les 25 Ans de l'Université de Sherbrooke: 1954/1979.* Sherbrooke: Les Editions de l'Université de Sherbrooke, 1982, p. 125.

19. Jean-Marcel Léard, "Le syndicalisme universitaire à Sherbrooke," in Le Syndicalisme universitaire at l'état. Montréal: Editions Hurtubise, 1977.

20. Ibid., p. 126.

21. AUCC, *University Affairs*, December 1972.

22. Louis Gill, "Les premières années du SPUQ," in *Syndicalisme et pouvoir à l'université.* Dossier préparé par le syndicat des professeurs de l'U.Q.A.M., 1976, p. 20. According to Gill, the agreement was essentially written by the administration.

23. The CSN provided technical support during negotiations for the first collective agreement, including the secondment of two full-time advisors

for nine months from the teachers union (La Fédération Nationale des Enseignants Québécoise), another CSN affiliate.

24. The other units of the Université du Québec quickly followed UQAM's lead, if not always its militant radicalism. By 1973 all of the constituent units had separate, certified unions.

25. The university immediately appealed this decision, but the original definition was confirmed. See Louis Gill, *op.cit.*, pp. 21-22.

26. Ibid., pp. 32-33.

27. Ibid., p. 25 (my translation).

28. Donald Savage, "Professional Societies and Trade Unions: The Canadian Experience in Higher Education," CAUT *Bulletin*, March 1973, p. 9. (Originally presented to a panel discussion on collective bargaining at the annual meeting of the American Historical Association, December 28, 1972).

29. B. Adell and D. Carter, *Collective Bargaining for University Faculty in Canada*, A study commissioned by the Association of Universities and Colleges of Canada. Kingston: Queen's University Industrial Relations Centre, 1972, p. viii.

30. See, for example, André Desgagné et Roger Miller, *L'Université et la syndicalisation de ses professeurs*. Etude speciale No. 3 réalisée pour le Conseil des Universités. Québec: Editeur officiel, 1975. See also R. Penner, "Faculty Collective Bargaining in Canada: Background, Development and Impact," *Interchange*, vol. 9, no. 3 (1978-79), pp. 71-90.

31. Adell and Carter, *Collective Bargaining*. pp. 31-32.

32. Ibid., p. 49.

33. Ibid., p. 62.

34. Ibid., p. 65.

35. Ibid., pp. 54-5. Interestingly, Adell and Carter specifically suggested that students might legitimately claim a place at both levels of bargaining.

36. Paul Thomas, ed., *Universities and the Law*. Winnipeg: University of Manitoba Legal Research Institute, 1975, p. 62. Emphasis added.

37. One proponent of two-tier bargaining in Quebec, J.H. Chung, suggested a possible solution to the problem:

> Il n'y a aucune raison qui puisse empêcher la FAPUQ de devenir une centrale syndicale véritable qui pourrait s'appeler par exemple, la Confédération des syndicats des professeurs d'université du Québec (COSPUQ). Cependant pour que la FAPUQ prenne le rôle d'une centrale syndicale, il faudrait que chacune des associations locales obtienne l'accréditation en vertu du Code du travail.

J.H. Chung, "Syndicalisme des professeurs d'université: Quelques réflexions," *Industrial Relations Industrielles*, vol. 28, no. 2 (1973), p. 339.

38. AUCC, *University Affairs*, June 1975.

39. Cited in Ibid.

40. AUCC, *University Affairs*, September 1975.

41. CAUT *Bulletin*, Winter 1972, p. 40.

42. Ibid., pp. 50 and 59.

43. See CAUT *Bulletin*, September 1973.

44. If the union could establish that its membership comprised between 35 per cent and 50 per cent of the bargaining unit, the Manitoba Labour Board was required to order a certification vote. If the union had more than 50 per cent of the membership signed up, the vote could be dispensed with at the discretion of the board.

45. *Statutes of Manitoba*, 1972, Chap. 75, Section 29(3). The professions previously excluded from collective bargaining included doctors, dentists, architects, engineers, lawyers, agrologists, and dieticians.

46. The University of Manitoba, *President's Report, 1972-73*, vol. 1, 1974, p. 13.

47. Ibid., p. 14.

48. The principal participant at the staff level was Marie-Claire Pommez, executive assistant at the time but shortly to be reclassified as a professional officer. Her memoranda to the CAUT executive committee in March 1973 was subsequently published. See Marie-Claire Pommez, "La Syndicalisation des professeurs d'université: Suggestions et mises on garde," CAUT *Bulletin*, April 1973.

49. CAUT *Bulletin*, April 1973.

50. CAUT *Handbook: Policy Statements and Guidelines*. Ottawa: CAUT, 1973, Second Edition, p. 126.

51. "Report of Committee N, 1972-73," *AAUP Bulletin*, vol. 59, no. 2 (June 1973), p. 165.

52. CAUT *Bulletin*, September 1974.

53. CUPE had earlier been certified to bargain on behalf of the teaching staff of Bathurst College in New Brunswick, but the status of that institution was uncertain and would eventually be confirmed as a constituent within the New Brunswick Community College.

54. Ibid., June 1974.

55. Désilets, et al, *Les 25 Ans*, pp. 125-6.

56. Under Section 1(t) of the 1972 act, "professional employee" was defined as "an employee who"

> (i) is, in the course of his employment, engaged in the application of specialized knowledge ordinarily acquired by a course of instruction and study resulting in graduation from a university or similar institution; and
>
> (ii) is, or is eligible to be, a member of a professional organization that is authorized by statute to establish qualifications for membership in the organization.

57. AUCC, *University Affairs*, February 1975.

58. Ibid., April 1974.

59. Ibid., April 1974.

60. Hayden, *Seeking a Balance*, p. 271.

61. For a succinct account of the final stages in this process, see CAUT *Bulletin*, February 1978.

62. Provincial labour relations legislation typically excludes two categories of employees: those exercising management responsibilities, and those involved in labour relations in a confidential capacity on behalf of the employer.

63. Ontario Labour Relations Board, July 1975. Cited in CAUT *Bulletin*, October 1975.

64. The four units included, respectively, the faculty of foods and nutrition, the faculty of agriculture, the school of rehabilitative medicine, and the school of social work.

65. Section 29(3) of the Labour Relations Act was changed by substituting the words "professional employees practising a profession" for "professional employees" and by specifying that the majority in question would be "a majority of the professional employees practising that profession (see *supra*, pp. 18-19).

66. At York University, law professors in Osgoode Hall Law School were excluded, in part by virtue of the historic connection of that school with the provincial legal profession. Doctors holding academic appointments in clinical medical departments in the University of Saskatchewan are included in the general bargaining unit. Bargaining units have generally been confined to full-time faculty members although in several cases part-time faculty with the equivalent of at least half a full-time appointment are included.

67. CAUT *Bulletin*, September 1979.

68. Donald Savage served on the negotiating teams at Saint Mary's, Manitoba and Carleton, for example.

69. Confidential interview with senior AUCC official.

70. CAUT *Bulletin*, September 1975.

71. AUCC, *University Affairs*, November 1976.

72. Paul André Laberge, *L'Université Laval, 1952-1977: Vers L'Autonomie*. Québec: Les Presses de l'Université Laval, 1978, p. 83.

73. AUCC, *University Affairs*, January 1977.

74. *Le Devoir*, September 30, 1976.

75. *Le Devoir*, October 26, 1976.

76. *Le Devoir*, November 2, 1976. See also Mario Dumais, "Les mandats secrets de la CREPUQ et l'avenir des universités" in *Le Syndicalism universitaire et l'etat*, pp. 109-13. The confidential document itself was published as an appendix to the same volume.

77. Paul-André Laberge, *L'Université Laval*, pp. 84-5.

78. Ibid., p. 86.

79. Roland Penner, "Faculty Collective Bargaining in Canada: Background, Development and Impact," *Interchange*, vol. IX, no. 3 (1978-79), p. 78.

80. Advocates of certification under trade union legislation consistently question the legal status of such contracts.

81. Gordon Unger, "Final Offer Selection: An Alberta Experiment in Interest Arbitration," CAUT *Bulletin*, December 1978.

82. Karl Friedmann, "Collective Bargaining in Calgary?" CAUT *Bulletin*, March 1973.

83. R.D. Vanderberg, "Interest Arbitration at the University of Calgary," CAUT *Bulletin*, December 1978.

84. Alberta, *Universities Amendment Act, 1981*, Statutes of Alberta, Chapter 61, Section 21(2).

85. CAUT *Bulletin*, April 1974.

86. AUCC, *University Affairs*, December 1974.

87. University of British Columbia, *Agreement on the Framework for Collective Bargaining*, as amended February 7, 1985, p. 6.

88. Province of British Columbia, *Statutes*, 25 & 26 Eliz. II, Chapter 76.

89. British Columbia, *Hansard*, September 14, 1977, p. 5514.

90. Jean Edward Smith, "How the Special Agreement Was Reached at the U of T," *University Affairs*, March 1978.

91. Faculty associations at Concordia, Memorial, Mount Allison, Mount Saint Vincent, Nova Scotia College of Art and Design, Wilfrid Laurier, and Winnipeg were certified after 1980.

92. Calculated by taking figures published by the CAUT for bargaining unit membership as a percentage of Statistics Canada figures for total full-time faculty complements.

93. Everett Carll Ladd, Jr. and Seymour Martin Lipset, *The Divided Academy: Professors and Politics*. New York: McGraw-Hill, 1975, p. 253.

94. Ibid., p. 258.

95. Following are the top 15 universities in rank order of the proportion of MRC, NCERC, and SSHRC sponsored research grants obtained by their faculty in 1988-89, with the actual proportions in parentheses. Together, these 15 universities accounted for 80 per cent of all sponsored research grants. (All figures in per cent.)

    1. Toronto (15.5)
    2. McGill (8.9)
    3. British Columbia (8.4)
    4. Montréal (5.7)
    5. Alberta (5.5)
    6. McMaster (5.2)
    7. Western (4.2)
    8. Waterloo (4.0)
    9. Laval (3.4)
    10. Manitoba (3.4)
    11. Calgary (3.3)
    12. Queen's (3.2)
    13. Guelph (2.8)
    14. Saskatchewan (2.8)
    15. Dalhousie (2.6)

    This tabulation was compiled by Dr. Peter Rans, while a graduate student at Dalhousie.

96. Cited in National Labor Relations Board v. Yeshiva University, United States Supreme Court, 444 U.S., 679.

97. Ibid., p. 686. Emphasis added.

98. Ibid., p. 688.

99. Joel M. Douglas, "Faculty Collective Bargaining in the Aftermath of Yeshiva," *Change*, March 1981, p. 38.

100. See Herman M. Levy, "'The 'Yeshiva' Case Revisited," *Academe*, September-October 1987, p. 35.

101. AUCC, *University Affairs*, December 1982.

102. Jacques Marois, *Impact de la syndicalisation des professeurs d'université sur la structure de rémuneration*. Unpublished M.Sc. thesis, Université de Montréal, 1981, p. 152.

103. Michael L. Skolnik and Geraldine Woodford, "Faculty Unionization and Salary Differentials in Ontario Universities," *The Canadian Journal of Higher Education*, vol. XVII, no. 2 (1987), p. 24.

104. Trish McAdie, "Government Control of University Faculty Salaries," *Readings in Canadian Higher Education*. Toronto, The Higher Education Group, Ontario Institute for Studies in Education, 1988, p. 145.

105. David J. Lawless, "The Canadian University under the Impact of Academic Trade Unions," *Minerva*, vol. XIX, no. 3 (Autumn 1981), p. 464.

106. David J. Bercuson, Robert Bothwell, and J.L. Granatstein, *The Great Brain Robbery: Canada's Universities on the Road to Ruin*. Toronto: McClelland and Stewart, 1984, pp. 30-56.

107. AUCC, *University Affairs*, July 1977.

9

Management under Constraint

The era of rapid growth in provincial expenditures on university education had ended with the 1960s. By the 1980s stability had given way to retrenchment. This, in itself, did not create undue difficulties for the universities, for the combination of other revenues and an anticipated declining enrolment might well have bridged the gap. The fact was, however, that enrolment kept on growing while a whole range of other factors worked to exacerbate the effects of government funding restraint. It is the combination of these which provides the true measure of the constraint that has been applied to universities.

Measures of Constraint

The combination of enrolment growth with grant increases running at, or even below, the rate of inflation could mean only one thing: real revenue per student declined steadily. The first part of the picture is set out in Table 15, which compares provincial operating grants in 1976-77 with those in 1986-87, in both current and constant dollars.

Taking all provinces together, operating grants more than doubled over the decade, increasing from $1.8 billion to $3.9 billion. Inflation ran at a similar pace, however, with the result that, measured in constant dollars, total grants increased almost not at all (1.6 per cent).

Table 15
Provincial Operating Grants, 1976-77 and 1986-87: Current and Constant Dollars

Province	Actual 1976-77 Grant ($000s)	1986-87 Grant (Current $000s)	Nominal Increase %	1986-87 Grant (1976 $000s)	Real Increase %
B.C.	189,231	326,199	72.4	154,969	-18.1
Alberta	181,832	437,511	140.6	207,851	+14.3
Sask.	70,216	145,881	107.8	69,304	- 1.3
Manitoba	81,196	170,276	109.7	80,894	- 0.4
Ontario	621,544	1,244,498	100.2	591,230	- 4.9
Quebec	515,316	1,207,133	134.3	573,479	+11.3
N.B.	48,564	107,442	121.2	51,043	+ 5.1
N.S.	70,167	151,372	115.7	71,913	+ 2.5
P.E.I.	6,343	17,884	181.9	8,496	+33.9
Nfld.	37,550	87,882	134.0	41,751	+11.2
All Provs.	1,821,959	3,896,078	113.8	1,850,930	+ 1.6

Sources: Operating grants data from Ontario, *Interprovincial Comparisons of University Financing*, 1989; Consumer Price Index from Statistics Canada.

Aggregate figures mask considerable variations between the provinces, of course. These variations were indeed substantial. Prince Edward Island's increase of 33.9 per cent in constant dollars is something of an anomaly, the result of changing methods of effecting interprovincial transfers under the Maritime Provinces Higher Education Commission (MPHEC) plus the opening of the Atlantic Veterinary College in Charlottetown in 1985-86. Nonetheless, both Alberta and Quebec show substantial increases (14.3 per cent and 11.3 per cent respectively), while British Columbia experienced a significant absolute decrease (18.1 per cent). Ontario's reduction of almost 5 per cent in constant-dollar grants is also worth noting.

These figures all refer to total operating grants. It is when the growth in enrolment is added in that we see a first approximation of the real difficulties facing universities. This is shown quite clearly in Table 16.

Table 16
Provincial Operating Grants Per Student:
Constant Dollars, 1976-77 and 1986-87

Prov.	1976-77 Grant ($000s)	FTE Enrol-ment	Grant per Student $	1986-87 Grant (1976 $000s)	FTE Enrol-ment	Grant per Student $	+ or - %
B.C.	189,231	47,937	3,947	154,969	54,471	2,845	-27.9
Alta.	181,832	41,720	4,358	207,851	59,474	3,495	-19.8
Sask.	70,216	18,638	3,767	69,304	22,027	3,146	-16.5
Man.	81,196	23,518	3,453	80,894	26,876	3,010	-12.8
Ont.	621,544	190,377	3,265	591,230	221,498	2,669	-18.3
Que.	515,316	126,347	4,079	573,479	187,313	3,062	-24.9
N.B.	48,564	14,097	3,445	51,043	17,344	2,943	-14.6
N.S.	70,167	21,851	3,211	71,913	26,331	2,731	-14.9
P.E.I.	6,343	2,133	2,974	8,496	2,646	3,211	+ 8.0
Nfld.	37,550	9,032	4,157	41,751	12,557	3,325	-20.0
All	1,821,959	495,650	3,676	1,850,930	630,537	2,935	-20.2

Sources: Ontario, *Interprovincial Comparisons of University Financing* and Table 15.

Apart from the anomalous situation of Prince Edward Island, all provinces reduced their real operating support per student. The average reduction was just over one fifth, or 20 per cent. It ranged from as high as 27.9 per cent in British Columbia, and nowhere was less than 14 per cent. Some sense of the magnitude of these reductions may be gleaned from the fact that had the average level of real support per student in 1976-77 ($3,676) been maintained through to 1986-87, the additional revenue available to universities (and, of course, the additional cost to provincial treasuries and therefore taxpayers) in that year alone would have amounted to almost a billion dollars ($982.8 million).

The consequences of this would still not have been so severe if universities had retained the option of increasing tuition fees. This had been the traditional complement to government grants, increasing as a proportion of university revenues whenever government funding declined, as it did in the Depression of the 1930s, for example. As a matter of provincial public policy, however, this option has been mostly precluded.

Provincial governments control tuition fees in a number of ways, all of them effective. In the Maritimes, no formal rules exist, but annual grants are accompanied with a clear indication of what the governments consider acceptable. The MPHEC, for example, typically ties tuition fees to its proposed grant increase in the following terms: "The Commission recommends, as has previously been its policy, that student fee increases should be of the same order as the recommended increase in operating grants."[1] Governments have respected the principle of proportionality, while reducing the level of operating grants recommended by the MPHEC. For their part, universities have not been inclined to test the will of their governments on this matter.

In Ontario and Quebec, fees are controlled by the simple device of incorporating them into the grant formula. Thus, any increase over the limits prescribed by the province—limits that now contain some flexibility—are simply subtracted from the operating grant.[2]

Quebec's experience was unique in having allowed no increases after 1968 for domestic students, with fees remaining at approximately $540.[3] Government policy finally changed in 1990, yielding substantial increases for 1990-91 and 1991-92, with annual increments thereafter to be formula driven, and with individual universities retaining the option of charging up to 10 per cent more. Tuition fees, in almost all provinces, have essentially become government-determined user charges.

The one apparent exception to this pattern has been British Columbia. In the face of a freeze and then two years of absolute cuts in government operating grants, beginning in 1983-84, university officials quite naturally looked to tuition fees as providing at least a partial remedy. According to several officials, the minister's silence on the matter of fees was interpreted, apparently correctly, as signifying consent to a substantial increase. On average, fees were raised by between 22 per cent and 31 per cent for 1984-85 and, as well, British Columbia's universities joined in the policy of levying higher fees for foreign students.[4] The effect of such increases was to bring fees in British Columbia only up to the national average, although they have since risen to among the highest in the country. Thus even in the British Columbia case, the setting of tuition fees was dictated indirectly if not directly by government policy.

Average fees across Canada fell substantially in constant dollars through the 1970s. In 1974-75, for example, the average fee was $510. This increased to $771 by 1981-82 in current dollars, but when adjusted for inflation this represented a real decrease of 20 per cent. Fees did begin to increase in constant dollars after 1981-82, but by 1986-87 had still reached only 88 per cent of their 1974-75 level.[5]

A similar pattern emerges if fees are measured as a proportion of the total operating expenditures of universities. The contribution of fees dropped to a low of 11 per cent in 1979-80, thereafter increasing, to reach 12.8 per cent by 1985-86. This, however, was the same proportion as a decade earlier, and well below any year prior to that.[6]

Provincial governments have imposed other constraints as well. Universities in most provinces, for example, are either prohibited from incurring operating deficits or suffer a financial penalty if the deficit exceeds a specified proportion of operating income. Whatever the justification of these restrictions in terms of prudent financial management, they nonetheless block or limit access to a potentially important fiscal device in the management of institutional change.

Provincial policy has gone beyond restrictions on income, to impose additional expenditure obligations as well. Provincial legislation on pay equity, for example, in pursuit of the objective of equal pay for work judged to be of equal value, will have enormous cost implications for universities, particularly with respect to the non-academic salary bill, and with little prospect of compensating revenues. Occupational health and safety requirements will have a similar effect, as will directives of lesser policy significance. In British Columbia, for example, universities are required to budget for the full annualized cost of a new appointment, even though it might actually be made part way through the year.

An Aging Professoriate and Mandatory Retirement

Rapid growth through the 1960s and early 1970s, followed by financially induced reductions in hiring—even of replacements for those retiring or resigning for other reasons—created a consequent demographic "bulge" in the age distribution of university faculty members. The basic shape and character of this bulge was noted as early as 1974 by Jeffrey Holmes, then executive director of the Association of Atlantic Universities (AAU), in an article in the AUCC's

University Affairs: "An aging full-time faculty and a shrinking pool of full-time students are in prospect for Canadian universities in the 1980s."[7] Universities, he suggested, "should ponder the academic and financial implications of an aging faculty."

Initially, this skewing of what might be considered a normal distribution of faculty ages (that is, a more or less even distribution of faculty between the ages of 30 and 65) was generally seen as having two predictable consequences. First, it threatened to block access to academic employment for a whole generation of prospective new entrants, as the bulge worked its way gradually to retirement. When that did occur, beginning around the turn of the century, the second consequence would manifest itself in the sudden retirement of a large proportion of faculty without the prospect of sufficient new entrants to take their place. All other things remaining constant, this boom-bust-boom in university hiring seemed destined to repeat itself every 35 years or so.

There was also a third consequence, one of the universities' own making, but posing a serious problem nonetheless. In response to faculty pressure—strengthened but not initiated through collective bargaining—universities adopted a unique salary structure based on annual increases in real earnings continuously from recruitment to retirement. In many respects this salary structure was a natural complement to the security of tenure, since it allowed the university to recruit at relatively low salaries while assuring tenured faculty members that their salaries would grow to relatively comfortable levels as their careers progressed.

Annual salary settlements quickly came to be expressed in two components: an economic portion applicable to the whole salary scale, and distinct individual increments marking career progress. Not surprisingly, faculty associations have striven to use the consumer price index (CPI) as a floor for increases in the economic portion, arguing that its purpose is to maintain the real value of existing salary levels. They also apply the CPI to the funding of career progress so as to protect salary steps or progression from erosion by inflation.

The value of these increments varies slightly among universities, but averages about 2 per cent of an average salary. Where universities continue to recognize and reward individual merit in awarding salary increases, it is accomplished by varying the value of each individual's annual increment. For example, 2 per cent of the salary base might be available for distribution, but individuals might receive more or less than that depending on judgments of their individual accomplishments. As noted earlier, salary discrimination on the basis of merit has fared poorly in the hands of many faculty unions.[8]

What is unique about the university salary structure is the expectation that salary progress will continue throughout a faculty member's career and, consequently, that an individual's salary will reach its maximum at about the time of normal retirement. The impact of this salary structure on universities is intimately tied to the age distribution of faculty. Indeed, much of the logic of the structure rests on the presumption that the age distribution will be relatively flat. If it were, the upshot would be a constant flow of new recruits, subsequently progressing through the ranks to normal retirement, then to be replaced by a new recruit starting, once again, at a much lower salary. In an ideal, or "steady state" version of this structure, the annual cost of salary increments would be offset by saving the difference between the high salaries of retirees and the low salaries of their junior replacements. The only salary cost to the university would then be the economic increase granted to everyone, an increase determined generally through some form of collective bargaining.

It is here that the skewed age profile of faculty distorts the "model" salary structure. The effect of the bulge has been to reduce movement at both ends of the salary and career progression: relatively few retirements and relatively few recruits, as the bulk of faculty members progress through their careers more or less *en masse*. The effect of that, in turn, is that salary increments do represent a real cost to universities, since their cost far exceeds the modest savings from retirements with junior replacements.

The average age of faculty members has been increasing at about half a year per year,[9] with the result that, while the net cost of career progress has been declining, it still represents at least 1 per cent of faculty salaries (about $25 million annually[10]). Universities must absorb this cost each year, either by reducing other expenditures or by holding the economic portion of salary increases below the level of government grants and, therefore, below the rate of inflation. This problem has been complicated by actions of the courts and provincial legislatures with respect to mandatory or fixed retirement at age 65.

The salary structure that was developed in Canadian universities after the Second World War was premised on the existence of both a fixed retirement age and a contributory pension plan which would commence payments immediately after retirement. Thus, a faculty member's salary would progress to its maximum at, or close to, the fixed retirement age of 65 and would then yield to pension payments usually based on a specified fraction of the best salary years.

Fixed or mandatory retirement was also critical to the management of tenure, for it limited a university's obligation of employment to age 65. Faculty members might be retained after 65, but if so it was at the discretion of the university and on a year-to-year basis, not with tenure.

This complex interplay of tenure, salary structure, and retirement with pension was upset in 1980 when the Manitoba Court of Queen's Bench ruled that the mandatory retirement of Professor Imogene McIntire from the University of Manitoba contravened a provision of the 1974 provincial Human Rights Act prohibiting discrimination on the basis of age. The university appealed the decision, but it was upheld in a landmark ruling, the appeal court holding by a 3-2 majority that the Human Rights Act took precedence over the university's collective agreement. With that, mandatory retirement became illegal in Manitoba's universities. At the time, most other Canadian universities considered the decision an anomaly and remained confident that their provinces had adequately protected mandatory retirement, either by limiting the prohibition of age discrimination to those under 65 or, as in New Brunswick, specifically excluding situations covered by bona fide retirement or pension plans.[11] Even New Brunswick's approach was the object of a human rights case filed by a University of New Brunswick professor in 1981, however.

Then, in 1982, Quebec became the first province to pass legislation specifically prohibiting mandatory retirement.[12] By then, the Charter of Rights and Freedoms had been added to the Canadian Constitution, including its Section 15 prohibition of discrimination on the basis of age, which would take effect April 17, 1985. The tide seemed to be turning away from mandatory retirement.

At this point the Canadian Association of University Teachers (CAUT) forcefully entered the fray, establishing, in May 1985, interim guidelines on retirement. These were confirmed as official policy a year later, and accompanied by a model clause for use in collective bargaining. The CAUT position was based on a distinction between a **normal** retirement age, at which full pension benefits would be available and which it was suggested might well remain at 65, and a **mandatory** retirement age which should be abolished. Further, for those continuing regular employment beyond the normal retirement age, the full protection of tenure should continue as well:

> The protection of academic freedom afforded by tenure should remain in full force and effect for those who continue employment past the normal pensionable age. In particular, tenured employees reaching this age should not be subject to any compulsion to accept term contracts or other alterations of status if they wish to continue in their careers.[13]

The CAUT went even further, explicitly advertising its interest in sponsoring a test court case under the charter and inviting candidates to apply through their local faculty associations.[14] In due course a challenge was filed against the forced retirement of York sociology professor, Bernard Blishen. The case was subsequently broadened to include eight professors and a librarian drawn altogether from four Ontario universities (Guelph, Lakehead, Toronto, and York).

A decision was rendered by Ontario's Supreme Court in October 1986, finding in favour of the universities, on the grounds that they are not agents of government and therefore are not covered by the charter, and also that Ontario's human rights legislation, while in conflict with the charter, nonetheless represents a reasonable limit on the charter's prohibition of age discrimination. The decision was appealed by the CAUT, with the original ruling upheld in a 4–1 judgment issued on December 10, 1987.

There was no small irony in the position taken by the CAUT in this matter. The decision of the Ontario courts rested, in part, on the finding that despite their dependence on government funding universities are nonetheless autonomous institutions, and their labour relations are governed by private contracts. This, of course, was precisely the position the CAUT had advanced in pressing for union certification under private-sector legislation. Now, when it came to the application of the charter on the issue of mandatory retirement, the CAUT argued that universities should be considered agents of their provincial governments, "because they are regulated by provincial statutes and are largely publicly funded."[15]

At virtually the same time, a related case was heard in the British Columbia Supreme Court. Not sponsored by the CAUT, the case was brought by two University of British Columbia (UBC) employees, one a tenured professor and the other an administrative officer, both faced with mandatory retirement. The decision, actually rendered three months before Ontario's, in July 1986, was based on essentially the same grounds (interestingly, however, the same court found that hospitals in British Columbia did come within the ambit of the charter as governmental agencies).[16] The British Columbia decision was also appealed. This time, the decision went against the university and mandatory retirement. The court of appeals, releasing its decision on January 6, 1988, concurred with its Ontario counterpart in ruling that universities were themselves beyond the direct reach of the charter. The British Columbia court also held that the section of the provincial Human Rights Act limiting protection against age discrimination to persons between 45 and 65 violated Section 15 of the charter. This time, however, the court concluded that the violation could not be allowed as reasonable under Section 1. UBC thus lost its statutory justification for mandatory retirement. Leave to appeal both the British Columbia and Ontario decisions was granted by the Supreme Court of Canada. Arguments were heard in May 1989, with judgment reserved.

The Supreme Court decision was finally released on December 6, 1990. Certainly a landmark, it found (by a 5–2 majority) in favour of mandatory retirement on each of the constitutional issues raised. Universities were not, the majority concluded, part of government and their private employer-employee relations were therefore not subject to charter protection. The decision on this point was emphatic, with implications that could well extend beyond mandatory retirement. "There can be no doubt," Mr. Justice La Forest wrote for the majority, "that the reshaping in the 1950s and 1960s of the universities of Ontario resulted from provincial policies aimed at higher education."[17]

Furthermore, he reasoned, it was evident ". . . that the universities' fate is largely in the hands of government and that the universities are subjected to important limitations on what they can do, either by regulation or because of their dependence on government funds."[18] This did not make them organs of government, however:

> The government . . . has no legal power to control the universities even it it wished to do so. Though the universities, like other private organizations, are subject to government regulations and in large measure depend on government funds, they manage their own affairs and allocate these funds, as well as those from tuition, endowment funds and other sources.[19]

On the second key issue, the court found that provincial human rights legislation specifically excluding protection against mandatory retirement at age 65, as in British Columbia and Ontario, was clearly discriminatory on the basis of age, but is nonetheless constitutional because it passes the reasonableness test of Section 1 of the Constitution Act, 1982. The Supreme Court went into considerable detail in justifying its decision that mandatory retirement was reasonable in the context of a university. Mr. Justice La Forest's majority decision went to the very heart of the matter:

> Mandatory retirement not only supports the tenure system which undergirds the specific and necessary ambiance of university life. It ensures continuing faculty renewal, a necessary process to enable universities to be centres of excellence. Universities need to be on the cutting edge of new discoveries and ideas, and this requires a continuing infusion of new people. In a closed system with limited resources, this can only be achieved by departures of other people. Mandatory retirement achieves this in an orderly way that permits long-term planning both by the universities and the individual.[20]

This decision ends the constitutional battle over mandatory retirement, but it by no means ends the controversy. Mandatory retirement had already been abolished in some provinces, and this option remains open to others. Moreover, faculty associations may well seek through collective bargaining what was denied by the courts. The Supreme Court certainly provided powerful ammunition for use by universities in resisting such attempts, but only time will tell whether the will to resist is everywhere sufficiently strong.

The actual implications of ending mandatory retirement are not entirely clear. Actual experience is obviously limited. The University of Manitoba, the first into the field, found that a substantial number of faculty members did wish to continue their employment beyond 65, but not all with full-time responsibilities and most for only a few years.[21] Experience at McGill has also been revealing. A senior official estimated that, as a rough approximation, one third of faculty approaching age 65 had negotiated some form of early retirement, while another third had retired at 65, and the final third had stayed longer, most until about 68. This official cautioned, however, that current experience reflected personal decisions made by people who until recently had expected to retire at 65. What would come with different expectations in the future, he suggested, was anyone's guess.[22]

One thing seems reasonably certain. Terminating mandatory retirement leads inevitably to questions about the continuing appropriateness of tenure, at least as it currently operates. Advocates of a flexible retirement age offer a variety of suggestions to ameliorate the negative consequences of an aging professoriate, including arrangements for early retirement, contract buy-outs, and reduced work loads with corresponding reductions in salary. Many of these are already in place in various universities but they are both costly and voluntary.

The concept of tenure as conferring the right to job security for life remains difficult to justify. Yet the vast majority of universities could only compel a faculty member to retire involuntarily by successfully invoking procedures for dismissal, procedures in which the onus would be on the university administration to prove cause. At best, this is a distasteful way to have to conclude what may well have been a distinguished academic career. At worst, it may also fail.

The alternative would be to modify tenure so as to incorporate the results of a review of performance, either at age 65 when regular pension benefits become available, or periodically throughout an individual's career. A sufficiently serious negative appraisal would then trigger dismissal proceedings, while preserving the option of a more graceful exit through resignation or voluntary retirement. The basis for such an approach exists in most non-unionized universities, where annual reviews or performance underpin merit-based salary increments. It has even been incorporated to some extent in the collective agreement at the University of Ottawa where negative appraisals can result in the withholding of salary increments which, if repeated in two successive years, can lead to dismissal.[23] Significantly, the established CAUT position makes no reference to age, insisting that in all individual cases, "where allegations [sic] of inadequate performance are made, procedures currently in force (assuming they provide due process) should apply."[24]

Some attempts have been made to "bridge" the demographic gulf by hiring young faculty members in advance of openings due to retirements. The federal granting councils have supported such appointments, while Ontario introduced a $94-million program in 1985 to support the addition of as many as 500 junior appointments. Queen's University managed to raise $7 million through a capital campaign for this purpose, under its "National Scholars" program.

Despite such imaginative initiatives, the immediate future offers little prospect of relief from the structural and financial constraints on the management of universities. It is most likely, therefore, that the established pattern of institutional responses to constraint will continue. Individual universities encountered the reality of constraint at slightly different times and with differing degrees of intensity, but after registering their consternation over government "underfunding," they all confronted a fundamental choice: to employ a strategy of selective program cuts and restructuring, or to settle for the several tactics of budget compression.

Tactics of Budget Compression

Financial constraint presents itself in stark reality as the gap between the cost of continuing existing programs and activities on the one hand, and anticipated revenues from government grants and tuition fees on the other. Faced with this reality, universities have only a few budgetary measures at their disposal. One, which amounts to postponing the problem to a future day, is simply to run an operating deficit.

Deficit Financing. Borrowing for operating purposes can be a responsible tactic provided, of course, that there is a realistic prospect either of increased revenue or of reduced expenditures in the near future. In such circumstances, deficit financing buys the time necessary to put in place a more permanent solution. In the absence of such circumstances, deficit financing only increases the problem, because the cost of borrowed funds must be added to the expenditure side in subsequent years.

There is also a political dimension to deficit financing. If a university is seeking to convince its provincial patron of the reality of underfunding, an operating deficit may appear as telling evidence that the problem is serious. Not surprisingly, then, running an operating deficit has often been one of the first tactical responses of universities in grappling with revenue shortfalls. Equally unsurprising has been governmental resistance to the continued use of this tactic. A related problem also arises. Some universities have found that deficit financing may impair private fund raising, because there is little apparent enthusiasm to contribute to the reduction of accumulated debts.

Provincial responses to the problem of university deficits has been varied. In British Columbia and Alberta, for example, deficits are simply prohibited by legislation. Ontario proposed an even harsher response, introducing legislation that could place repeat offenders in provincial trusteeship. In the Maritimes, the MPHEC adopted an early policy of limiting accumulated operating deficits to not more than 2 per cent of a university's operating grant. The penalty for exceeding this limit would be a reduction in subsequent grants equal to the amount of the excess.

Notwithstanding these limitations, some universities have accumulated substantial deficits. Dalhousie, for example, came out of the period of rapid growth with an unfunded capital debt of $25.1 million.[25] Interest charges on this debt constitute a continuing drain on the operating account. Then, when government grants fell short of expenditure requirements in the early 1980s, operating deficits were piled on top of the capital borrowing. Operating expenditures have since been brought into line with current revenues, but Dalhousie enters the decade of the 1990s with a debt of $33.4 million, much of it dead weight and all of it a burden that substantially negates the advantage of the university's sizeable endowment.

It has been in Quebec, however, where deficit financing has been used with a vengeance. And no university has made greater deliberate use of the tactic than McGill. Quebec's universities faced their most serious financial problems after 1978-79, as increases in operating grants fell short of the formula dictating increases in public sector salaries.[26] This came on top of a situation in which several universities, but particularly McGill, believed themselves to be at a relative disadvantage by virtue of the funding formula. The problem, they contended, was that operating grants were calculated as increments to an historically determined base, and that base itself contained serious inequities. Moreover, adjustments for enrolment growth took insufficient account of the differing costs of different programs, and took no account of the costs associated with qualitative differences.

The upshot was that several Quebec universities amassed sizeable deficits through the 1980s. The Université de Montréal, for example, moved from a $6-million surplus in 1980 to a $7-million deficit in 1984.[27] McGill's experience was even more dramatic. Initially buoyed up by access to unrestricted endowment earnings of $7 million annually, McGill quickly moved into deficit, and by 1987 had accumulated an operating debt of $31.9 million. By then, the combined total accumulated deficit for all Quebec universities was a staggering $129.1 million.[28]

In an unusual show of candour, albeit after a change in government, Quebec's minister of education and science, Hon. Claude Ryan, conceded in 1986 that university deficits were largely the result of underfunding: "One of the most serious consequences of the financial policy of the past few years has been the dangerous growth of deficits in certain institutions particularly affected by the injustices of the method of distributing grants."[29]

The minister's admission was supported by departmental studies. The most recent, published in 1988, documented net inter-institutional inequities of almost $23 million, with McGill accounting for 70 per cent of the net underfunding.[30] The results of the exercise are set out in the following table.

Table 17
Actual and Adjusted Expenditure Bases of Quebec Universities Using Proposed Grant Formula and 1986-87 Data
($000s)

	Actual Base	Adjusted Base	Gain (+) or Loss (-)
Bishop's	8,640	9,595	+ 955
Concordia	99,232	103,518	+ 4,286
École des Hautes Etudes Commerciales	21,971	23,522	+ 1,551
École Polytechnique	36,506	34,566	- 1,940
Laval	193,540	186,374	- 7,166
McGill	141,663	157,614	+ 15,951
Montréal	200,150	190,266	- 9,884
Sherbrooke	74,185	72,676	- 1,509
Québec	245,021	242,779	- 2,242
Total	1,020,908	1,020,908	0

Source: Québec: *Révisions des bases et du niveau de financement des universités du Québec: Hypothèse pour fin de consultation.* October 1988, p. 5.

The government had already moved to address this issue in 1987, with special funding earmarked for temporary relief of the costs of servicing accumulated deficits and also for base adjustments. The latter went some distance toward putting McGill (as well as Concordia and the other underfunded institutions) on an equitable footing, but still left the university to deal with an accumulated debt of over $60 million. Not surprisingly, therefore, McGill and other universities have also made use of a second tactic, related directly to faculty salaries.

Salaries. General salary increases in Quebec's universities are normally pegged at the level negotiated between the provincial government and its civil servants. In any case, the government specifies through its funding formula the percentage by which salaries will be indexed for purposes of the approved expenditure base. On several occasions, beginning in 1979-80, McGill's faculty association agreed to accept smaller increases. The university, in turn, has treated these as deferred increments, some day to be restored. The university's 1987 financial plan, for example, included a 6 per cent catch-up adjustment (2 per cent annually in each of three years) as a major priority.[31]

McGill was not the only university in which faculty members agreed to forego salary increases in order to assist in the management of constraint. This tactic was also employed in British Columbia's universities, beginning in 1983-84. Simon Fraser's faculty even agreed to a general salary cut in 1984-85. Table 18 summarizes the pattern of salary adjustments in the three universities from 1983-84 through 1985-86.

Table 18
Faculty Salary Adjustments in British Columbia, 1983-84 to 1985-86

	Victoria		Simon Fraser		UBC	
Year	General Increase	Career Progress	General Increase	Career Progress	General Increase	Career Progress
1983-84	0.5%	3%	1.8%	3%	0%	0%
1984-85	0%	2%	-2.7%	3%	0%	0%
1985-86	0%	2.15%	0%	2.7%	0%	3%

Source: University of British Columbia

At least two consequences resulted from all this. First, average faculty salaries in British Columbia fell dramatically in comparison with universities in other provinces. Comparing median salaries for associate professors (without senior administrative responsibilities, and excluding medical and dental faculties) in a sample of 18 full-service universities,[32] for example, shows that UBC's ranking dropped from first to thirteenth between 1982-83 and 1985-86. Simon Fraser went from third to fourteenth, while Victoria dropped from sixth to tenth over the same period.[33]

Second, faculty members clearly expected the universities to give high priority to restoring salary levels once a more normal budgetary situation was re-established. This expectation has not been quickly satisfied, prompting one senior official to admit that salary negotiations were more difficult after the return to stable funding than during the period of cuts. For their part, more than one faculty association representative wondered if the accommodative approach had not been a mistake.

The whole question of faculty salaries gives rise to further issues of comparability, not simply between universities, but also with other employment sectors. The Council of Ontario Universities (COU) set out to address this issue in a manner that would be seen as thoroughly objective, commissioning a comprehensive study by Hay Management Consultants. The results, incorporating data from most of Ontario's universities, were published in February 1988.

The study was interesting from at least two perspectives. First, it demonstrated convincingly that both faculty members and senior administrative officers are paid substantially less than people judged by the Hay analysts to hold positions of comparable size and content in either the private sector or the public service. On the administrative side, middle management personnel compared reasonably well with other sectors, but in more senior positions, compensation became less and less competitive "as job size increases and moves up to and through senior, vice-presidential levels."[34] On the academic side, the report concluded that "the academic task is compensated, on average, below the major comparator groups selected for this study." Moreover, because of the unique structure of academic salary progression, "academics are disadvantaged with respect to lifetime earnings . . . ."[35]

A second finding of the study was of at least equal interest. The authors found much confirmation of a general perception that the task of the academic is limited to teaching, with little appreciation of research or scholarship. From this perception, the academic job requires about 20 hours of work per week over eight or nine months a year, supplemented by periodic extended holidays in the form of sabbaticals, and capped by tenure as absolute job security. The actual situation turned out, of course, to be quite different. The authors concluded that:

> - Academics devote at least as much, if not more, time to their jobs as anybody else in the workforce.
> - Sabbaticals are essential to the task of research and scholarship.
> - Tenure is an essential element of the safeguards needed to ensure the integrity of scholarship and teaching.[36]

The consultants left the COU to ponder the implications of so profound a public misperception of the essential character of the academic enterprise. Meanwhile, a tactic closely related to that of salary restraint has been to off-load teaching responsibilities to lower paid, and non-tenured, part-time and sessional instructors.

Part-time and Sessional Instructors. There are a variety of circumstances which result in the use of part-time instructors. Universities with graduate programs have normally employed graduate students on a part-time basis, an arrangement which simultaneously provides the university with relatively inexpensive teaching assistance, adds an essential component to the students' financial support package, and offers a measure of on-the-job professional training.

As well, practitioners have long been used on a part-time basis to complement the full-time faculty in professional programs. For the practitioners, such teaching constitutes recognition of high professional standing. For the universities, it is not only inexpensive, but also serves to maintain close relations between the university and the profession.

It is the substitution of contract employees for tenured or tenure-stream faculty members, whether part time or full time, which has given rise to considerable controversy. The distinguishing characteristics of such appointments include their limited contractual duration, usually a single academic term, as well as the absence of any opportunity for tenure.

Universities vary considerably in their reliance on such contract, or sessional, employees. At one extreme is a provision in Dalhousie's collective agreement specifying that not more than 10 per cent of all work similar to that normally performed by members of the bargaining unit may be assigned to people outside the unit and, furthermore, that the work of members who resign, retire, or whose appointments are not renewed "shall not be redistributed to persons who are not Members . . . ."[37]

At the other extreme are the universities of Quebec. In that province, according to a 1989 study by the Conseil des universités, there were almost as many part-time and sessional instructors, called chargés de cours, as there were regular faculty members (7,800 compared with 8,000, and even that excluded part-timers in medicine). Indeed, with the exceptions of McGill and Laval, the number of sessionals actually exceeded that of regular faculty in every university.[38] The conseil calculated that these appointments represented the equivalent of about 4,600 full-time faculty positions, and that just over 39 per cent of all teaching was provided by sessional and part-time instructors (for the Université du Québec, as for Sherbrooke, the comparable figure was almost 50 per cent).[39]

What is perhaps even more revealing in the conseil's analysis was the estimate of the proportion of sessionals for whom university teaching is their principal employment. Approximately 31 per cent fell into this category (another 14 per cent were students, while 55 per cent were defined as "traditional" part-timers employed on a full-time basis elsewhere). The rate of pay varied between $2,725 and $3,650 for 45 hours of teaching.

Perhaps not surprisingly sessional employees, including graduate teaching assistants, have formed their own unions in a number of universities. The Conseil des universités found in Quebec that in non-unionized situations, working conditions and remuneration varied considerably between departments of the same university, whereas in the unionized situations (Laval, Montréal, Sherbrooke, and five of the components of the Université du Québec) administration was much more centralized and bureaucratic.[40]

Quebec's Conseil des universités gave voice to a number of concerns about what it considered to be an excessive use of part-time and sessional instructors, and especially those dependent on year-to-year contracts, sometimes with several institutions simultaneously. The report concluded by urging greater effort to integrate these employees more fully into the life of the university, and to plan and coordinate teaching responsibilities more effectively so as to ensure more uniform quality of instruction across the curriculum.

Increased reliance on part-time and sessional instructors is one side of what amounts to a two-sided tactic. The other side has involved the non-replacement of some of the regular full-time faculty members who have left through retirement or for other reasons. This has also been the principal means by which universities have reallocated faculty resources to areas of higher need or priority. Overall, it can perhaps best be described as a tactic of selective attrition.

Selective Attrition. Despite constrained financial circumstances, the number of full-time faculty members in Canadian universities has continued to grow through the 1980s. Over the decade from 1977-78 to 1987-88, the total rose from 32,167 to 35,759, an increase of 11.2 per cent.

What has happened, of course, is that the number of students has grown much faster than the number of faculty (31.2 per cent as compared with 11.2 per cent). The real consequences of selective attrition, then, have been to allow internal reallocations, and to increase slightly the overall student-faculty ratio. The first of these consequences has important potential implications. If pursued long enough, and with strategic purpose, selective attrition can achieve the same ends as explicit program cuts and resource reallocation, albeit much less painfully. Such gradual but purposeful reallocation, by means of selective attrition, has been the hallmark of the well managed university.

The second outcome has also been significant. Measured in its crudest form, the ratio of full-time equivalent enrolment to full-time faculty increased from 13.5:1 in 1977-78 to almost 16:1 in 1987-88.[41] To appreciate the magnitude of this change, one need only calculate the hypothetical consequences of having preserved the 1977-78 ratio through to 1987-88. Maintaining the same number of faculty would have meant reducing enrolment by 87,100 students. Maintaining the number of students would have required hiring another 6,447 faculty members. Either way, it is an impressive productivity gain. It has also given rise to concerns about a corresponding deterioration in the quality of instruction.

The Question of Quality. The actual relationship between the level of funding and the quality of university programs is difficult either to establish or assess. It is easy simply to assume that any reduction in per student expenditures must lead to a corresponding reduction in quality. This relationship can be supported by common sense arguments. But it can neither be supported nor refuted by evidence. The fact is that the quality of education defies measurement.

In a study published in 1984, Michael Skolnik and Norman Rowan pursued a different tack. They did not try to measure quality and its relationship with funding levels; rather, their objective was to collate opinions about the relationship. Using a mail questionnaire, they obtained responses from 182 of 625 presidents and deans in Canadian universities. The results were most revealing. While many undesirable consequences of funding restraint were reported, and others were perceived to lurk just around the corner, the overall assessment suggested that the simplistic relationship assumed between funding and quality might even have to be reversed.

> Attaching the greatest weight to the indicators which were rated most highly by respondents, we would have to conclude that financial restraint has not resulted in any substantial deterioration of quality over the period investigated. This conclusion is supported by responses to a more general question on trends in quality, to which **three-quarters responded that the quality of academic programs has improved over the past decade**.[42]

With results like that, provincial officials could be excused if they were unconvinced by repeated pleas for additional funds in order to maintain quality. University officials, for their part, have thus far been unable to establish that increased funding, by itself, would do anything except make universities more expensive. No wonder provincial governments have been moved to earmark increasing proportions of the funds that are made available.

Universities, at least in the aggregate, have maintained remarkably constant expenditure patterns. Table 19 shows the percentage distribution of operating expenditures (excluding sponsored research) by major functional category. There was almost no change over the decade from 1977-78 to 1987-88. The proportion of total expenditures devoted to instruction rose slightly (from 64.6 per cent to 66.1 per cent), offset by an equally slight reduction in the proportion going to physical plant. The others remained almost constant. Much detail is masked by aggregate figures, of course, but the suggested implication is that universities have managed to absorb the additional administrative costs associated with such initiatives as pay equity, occupational health and safety, and fund raising, by means of productivity gains in other areas of administration. Certainly, there is no evidence that there has been any shift from instruction or academic support services to administration.

Table 19
Distribution of University Operating Expenditures
by Function (Excluding Sponsored Research),
1977-78 to 1987-88

	Inst'n*	Library	Central Computing	Admin. & General	Physical Plant	Student Services
1977-78	64.6%	6.9%	3.0%	8.8%	14.2%	2.6%
1978-79	65.0	6.8	2.9	8.8	13.9	2.5
1979-80	65.6	6.8	3.1	8.4	13.6	2.6
1980-81	65.6	6.8	3.1	8.6	13.3	2.6
1981-82	65.6	6.6	3.1	8.6	13.3	2.8
1982-83	65.0	6.6	3.2	9.3	13.0	2.8
1983-84	65.0	6.6	3.3	9.1	13.1	3.0
1984-85	65.4	6.6	3.3	8.8	13.0	2.9
1985-86	65.8	6.6	2.9	8.9	13.0	2.8
1986-87	66.3	6.6	3.0	8.8	12.4	2.9
1987-88**	66.1	6.4	3.0	9.2	12.3	3.0

Notes: * Includes credit and non-credit instruction, plus non-sponsored research.
** Estimate

Source: AUCC, *Trends: The Canadian University in Profile.*

Questions of financial constraint and quality inevitably give rise to considerations of selective cuts, directing restraint to programs and activities of lesser quality and priority, so as to preserve or even enhance those of superior strength or importance.

Strategies for Selective Restructuring

Almost everyone, it seems, favours selective cuts over general compression, at least in principle. Harold Shapiro, then president of the University of Michigan, noted this in addressing the AUCC in 1982:

"The idea that an institution should reallocate its limited resources to its areas of greatest merit rather than following a 'mindless' policy of 'across-the-board cuts' enjoys greater favor at most faculty meetings."[43]

A year later, George Keller attracted a considerable following when he advocated strengthening university management as a means to radical restructuring of programs and operations:

> For any college or university that hopes to survive in the period ahead and perhaps emerge a bit stronger and better, there appears to be one overriding answer—the answer that the more alert and forward-looking institutions have already begun to give. Colleges need to strengthen their managements and shape academic strategies for themselves.[44]

Support for the principle of selective restructuring, however, has almost never been translated into actual approval of proposals to reduce or terminate programs. The fact that a wide variety of approaches were tried bears witness to the strength of political opposition that can be amassed within a university. In 1982, for example, the president of Dalhousie, W. Andrew MacKay, initiated a comprehensive planning process based on departmental self-analyses. Resources were then to be reallocated so as to sustain identified program strengths at the cost of abandoning weaker areas. The process of "restraint and renewal," as it was officially designated, was so thoroughly discredited by faculty critics that not one proposal to reduce or terminate a program was ever made by the president. At several other universities, the mere suggestion that selective cuts might be made was sufficient to arouse a political controversy and preclude the cuts actually being made.

The dramatic nature of British Columbia's funding reductions presented the three universities of that province with the necessity of making strategic choices. The very different choices actually made provide a rich source of comparative information on the politics of constraint.

British Columbia and the Politics of Constraint. At the University of Victoria, faculty, support staff, and senior officials pursued a highly consensual approach to the management of budget cuts. The president met personally with all employee groups and found overwhelming support to "save jobs and let salaries slip." No serious consideration was apparently given to the elimination or restructuring of programs, nor to the termination of regular faculty. A few reductions in support staff required lay-offs, but most personnel reductions—and all of them on the academic side—were effected through attrition. Senior officials estimated the total reductions at between 70 and 75, out of a total staff complement of approximately 1,300. On the academic side, 35 positions were eliminated between 1983-84 and 1984-85.[45]

Victoria relied entirely on its normal management structures and procedures to weather the storm of budget cuts. It was, in the final analysis, a strategy containing three elements: tuition fee increases, salary restraint, and selective attrition. It rested on a collegial and consensual organizational culture that allowed considerable room for discretionary decision making by the president and senior administrative officers.

Simon Fraser also enjoyed a collegial culture, but its response to financial restraint was quite different. Like Victoria, Simon Fraser's strategy included a commitment to avoid lay-offs or terminations. Unlike Victoria, however, it included significant program changes drawn from explicit institutional priorities.[46] Of critical importance to the design of Simon Fraser's strategy was a change in the presidency in the fall of 1983 and the consequent fact that the new president, William Saywell, confronted the crisis in the initial "honeymoon" months of his term.

Saywell established the Presidential Advisory Committee on University Priorities (PACUP), consisting of five respected faculty members. Within the year the committee had reviewed the whole range of academic activities and recommended a host of program changes. The president took these recommendations, along with advice from deans and vice-presidents, and on September 20, 1984 presented to the university community his "white paper" on the future of Simon Fraser.

The president's plan was extensive. One faculty—interdisciplinary studies—would be scrapped and its constituent units integrated within other faculties. At the same time, a new faculty—applied science—would be created, comprising the departments of computing science, communication, kinesiology, and engineering. The shift in priorities was clear and explicit, the president expressing confidence that: "Despite the economic crisis still facing this province, such a new faculty will attract the research funds, the public support, and the capital resources required to ensure that it is properly housed and equipped."[47]

The plan went much further, proposing to eliminate programs in Russian and German, confine Spanish to the undergraduate level and criminology to graduate work and research, eliminate Latin American and Middle Eastern/African studies as separate units, integrate evening courses within existing departmental resources, and cut the university's contribution to both the arts centre and athletics. Finally, a more cost-effective approach to programs offered in downtown Vancouver was proposed, involving closer relations with the business community (in due course, this proposal yielded a distinctive second campus for Simon Fraser, known as Harbour Centre, and housed in a renovated department store building in downtown Vancouver, its program focus on continuing adult education). The president expected his plan to produce savings of about $3 million in the first year, and more later. These would be achieved primarily through staff and faculty attrition, including the elimination of positions already vacant. In this, he offered a textbook description of selective attrition, promising to approve "only those appointments which I believe are critical to fill."[48]

The president's plan was well received and was, in due course, approved by the senate and put in place. It was a quite remarkable achievement, but it also underscored the unique circumstances from which it arose. There was general agreement within the university that it was a once-only opportunity, the product of a presidential "honeymoon" and therefore not to be repeated in the remainder of the president's term. That being so, one can only speculate as to whether the changes were as far-reaching as they might or should have been.

Simon Fraser was able to implement an impressive program of academic restructuring because of a climate supporting strong presidential action and a president who was willing and able to act decisively at the beginning of his term of office. These circumstances stood in marked contrast to the situation at the University of British Columbia. UBC achieved international notoriety for actually dismissing tenured faculty members.

The process began in earnest in the fall of 1984 when President George Pedersen set about to identify potential expenditure reductions in the face of a substantial budgetary shortfall anticipated for 1985-86. In turn, the academic vice-president, Robert Smith, invited the deans to review their academic programs and resource requirements and consider candidates for reduction or termination. In this, they were to be guided by an earlier senate budget committee which had designated programs and services as "core," "core-related," and "non-core."

In the midst of all this, the president resigned to accept a comparable position at the University of Western Ontario, and Smith was appointed president pro tem. By late May, the new president and the deans had agreed on a proposal to senate to discontinue seven non-core programs.[49] An additional $3 million was to be cut from faculty budgets but within the existing program structure. One of the programs slated for termination, landscape architecture, escaped the axe but discontinuance of the others was approved by senate. About 100 faculty positions were eliminated, but most of these were already vacant.[50] Twelve faculty members were directly affected, nine of them tenured. The president and board moved with dispatch to terminate all 12 on grounds of redundancy, giving each a year's notice.

A week later, the faculty association voted "no confidence" in the board of governors, the president pro tem, and the acting academic vice-president (the former dean of education). The CAUT was also asked to investigate the dismissals.[51]

By November, UBC had a new president, David Strangway from the University of Toronto, and he proceeded quickly to defuse the explosive issue, negotiating generous severance arrangements with the terminated faculty members. He also managed to reach agreement with the faculty association on a policy respecting financial exigency. Such a policy had been under negotiation since 1981. A tentative agreement had been reached in 1984, but it was rejected by the membership of the association. UBC's provisions for reducing the faculty complement under a declared financial exigency were unusual among Canadian universities, especially those involved in collective bargaining. UBC's scheme was both simple and potentially effective. Comparable provisions in a number of other universities appear almost to have been premised on the assumption that they would never be used.

Financial Exigency

Explicit policies and procedures governing the lay-off or dismissal for financial reasons of faculty members, including tenured faculty members, are relatively recent additions to the battery of strategies and tactics available in the management of constraint. Until recently, universities retained sufficient flexibility in respect of salary policy and the renewal or not of non-tenured faculty members to meet almost any financial situation. At the same time, faculty seemed content to rely on the trend toward democratic management to safeguard their interests. As of 1971 the CAUT approached the whole issue with considerable equanimity. Their policy guidelines on reduction in academic appointments for budgetary reasons, approved that year, put the major emphasis on faculty participation in budget committees and on "the need for proper academic forecasting in order to lessen the possibility of sudden crises leading to cutbacks."[52] If, however, a complement reduction were necessary, "the faculty association should act as the watchdog of the faculty," but the key role should be played by the senate or its equivalent. "The senior academic body should formally discuss the plans of the university for cutbacks owing to budgetary reasons, and it should make a decision as to whether these cuts will be made by a revision of academic priorities or by a strictly arithmetic formula."[53]

The insecurity that very shortly gave rise to unionization and collective bargaining also prompted demands for much more stringent safeguards against faculty dismissals for financial reasons. And while collective agreements vary considerably in detail, they almost all embody two points of principle. First, the concept of academic redundancy has been separated from that of financial exigency, with only senates or their equivalent alone empowered to approve, for adequate academic but not financial reasons, the reduction or termination of programs.[54] Second, before any action may be taken to dismiss faculty members for purely financial reasons, the severity of the financial crisis must be confirmed by an independent audit which must establish that all other reasonable steps to increase income and reduce non-essential expenditures have already been taken.

These principles are usually elaborated in great detail, with firm and demanding deadlines. Ottawa's collective agreement, for example, requires that if financial exigency is to be declared, notice must be given to the faculty association before June 30.[55] Failure to meet that date would mean waiting another year to address the crisis or petitioning the association to waive the deadline.

Definitions of what constitutes a bona fide financial exigency are often stringent, to say the least. Manitoba perhaps comes closest to the crux of the matter in defining "an extraordinary financial exigency" as: "... a serious deficiency in revenues in relation to operating budget commitments . . . which may reasonably be expected to continue for more than one fiscal year and which threatens to render the University insolvent and which cannot be alleviated by other means."[56]

The upshot is that in most universities faculty complement reduction through lay-off or dismissal is, for all practical purposes, precluded as a means of dealing with financial constraint. A university would have to face a situation approaching imminent bankruptcy, have exhausted all other possible solutions, be able to convince a third party of the veracity of all this (and, in some cases, be guided by that party's advice), and be able to wait two or three more years to realize any actual savings by virtue of requirements for notice and severance payments. Dalhousie's agreement, for example, requires a minimum notice of 15 months in the case of tenured faculty members, plus a severance payment of 12 to 15 months' salary depending on length of service.[57]

The agreement at UBC is distinctive in the relative simplicity of its procedure. A presidential decision to declare a financial exigency would be reviewed by an internal committee (the senate budget committee, augmented by two representatives of the faculty association) whose advice would not be binding. Such a declaration could take effect as early as five weeks after the initial declaration. Moreover, the senate might simultaneously declare positions redundant by virtue of decisions to discontinue academic units or programs. UBC's provisions, if more readily available, would still be costly. Dismissal of a tenured faculty member would require one year's notice plus up to two years' severance pay.[58] Significantly, no Canadian university has ever declared a financial exigency.

The University of Toronto did not confront financial exigency, but it did move to eliminate an entire, albeit small, faculty. It was not successful in doing that, but subsequent events brought major changes under President George Connell's program of renewal.

Toronto's Renewal

The announcement that the faculty of architecture would close was made by the president in January 1986. The faculty had long been the centre of acrimonious internal conflict, and was then operating under virtual trusteeship.[59] The president proposed that no new students be admitted and that the faculty be closed in 1990, after all of the 300 current students had graduated. The case highlighted the interdependance of academic and financial considerations. The basic problems of program quality were academic, but the cost of resolving them was judged to be beyond the financial capacity of the university.

The proposed closure had to be approved by the governing council and its academic affairs committee. There, it ran into concerted opposition, including that organized by the faculty association which, with the support of OCUFA and CAUT, had decided in February to try to block the closure.[60] A task force was established to consider other options, proposing in midsummer that the programs be continued but within an autonomous college, affiliated with the university, but affording greater flexibility of staffing, fund raising, and relations with the profession. The president and provost were forced to abandon the idea of closing the faculty, and proposed instead to establish a school, headed by a director, and with an infusion of additional faculty members to come primarily via cross-appointments with other units within the university.

By then, another and more ambitious process had been set in place. In July 1986, President Connell invited members of the university community to join him in a consultative effort to redefine the goals and mission of the University of Toronto, taking account not only of resource limitations but also of the university's "legitimate aspirations to greatness."[61] The renewal exercise yielded two concrete products. The first was a set of academic priorities and proposals which cumulatively sought to concentrate undergraduate studies into more clearly defined programs of four years' duration (eliminating three-year degrees) while increasing substantially enrolment at the graduate level. The second outcome was a thorough review and revamping of the unicameral governing structure.

Revamping Unicameralism. The review of the unicameral experiment initiated by President Connell was, in fact, the fourth undertaken since the structure had been put in place by legislation passed in 1971. The first review was required by the original legislation. Section 2(19) stated: "The Governing Council shall review this Act and report thereon to the Minister of University Affairs within two years after it comes into force."[62]

The council did not meet the July 1974 deadline, finding itself caught up in an acrimonious debate over the issue of faculty-student parity. By October the council had finally agreed, albeit by a very slim plurality (21 to 19, with three abstentions) to recommend an increase in its size (from 50 to 57) and also to bring the number of student members closer to that of faculty, although not to full parity. The number of faculty members would increase by one, from 12 to 13, while that of students would increase by three, from eight to 11. The requirements of the act complied with, the government politely shelved the recommendations.

Faculty discontent continued, however, confirming the judgment of those who had earlier criticized the loss of faculty power implied in the demise of the academic senate. The faculty association had, by default, come to represent this discontent, and a year after the first, statutory, review of unicameralism it presented a brief to the council calling for increased faculty participation. The brief criticized the two committees that dealt primarily with academic matters, the academic affairs committee and the planning and resources committee. It was especially critical of an early policy decision by the council barring any single "estate" from constituting a majority on any of the standing committees, thereby depriving faculty of a majority on the senior academic body within the university.

In response, the council undertook a review of faculty participation, conducted by a special study group headed by the chairperson of the academic affairs committee. Reporting in March 1976, the study group gave further voice to deep-seated faculty dissatisfaction. There was little sympathy from the council, however, and no substantial changes were made.

A year later, on the recommendation of the president, the council agreed to yet another review, this time by an outsider. In the event, the task fell to Dr. John B. Macdonald, former president of the University of British Columbia, subsequently executive director of the COU, and currently president of the Addiction Research Foundation. Macdonald began his deliberations on July 1 and reported in December.

His critique of the unicameral experiment was mostly negative. He discovered widespread disaffection with the existing situation, especially among faculty members. Indeed, he suggested that "the strength of faculty criticism may be the most important finding in this review."[63] The governing council and its committees, he concluded, were involved in far too much detail, much of it duplicated, while both the council apparatus and the president's office were perceived to have simultaneously centralized authority and politicized the decision-making process.

Macdonald did, however, accept both the principle of unicameralism and the composition of the governing council as settled. The focus of his recommendations was the practical operation of the system. Most important, he argued, was that the governing council limit itself to "matters of broad university policy" acting only on the recommendation of the president. Moreover, in making decisions, the council should be confined to approving, rejecting, or referring proposals back to their sponsors for further information or modification:

> The Governing Council should sit in judgement on the proposals emanating from the University community rather than itself generating those proposals. The Governing Council should be a judicial body rather than a managing body. Its concern should be that the University and its parts are managed well but not that the Governing Council should do the managing.[64]

Macdonald also recommended a streamlining of the committee system, including the consolidation of the academic affairs and the planning and resources committees into one senior academic body. He further proposed that the rule precluding one "estate," in this case faculty members, from constituting a majority of such a committee be scrapped.

In due course, the governing council accepted several of Macdonald's recommendations, limiting its own future actions to approval, rejection, or referral back of advice from the president and delegating greater authority to committees and academic divisions. It rejected other recommendations, however, refusing to merge the two academic committees and retaining the rule barring committee majorities from one "estate." The faculty were thus denied their principal objective: a senior academic body dominated by faculty members. There was much more than nostalgia in Robin Ross's assessment of unicameralism and Macdonald's critique:

> I agree that in its previous form the Senate is no longer a practical form of government. However, something like it is needed today. Under our present circumstances, Macdonald's proposal for a new committee was probably the best arrangement that could be made. I think that the Council and the university will regret that that proposal was not endorsed.[65]

Ten years after the Macdonald report, this prophecy was confirmed as President Connell initiated the fourth review of unicameralism at the University of Toronto. He was well aware of the problems, having earlier served as associate dean and then vice-president, before accepting the presidency of Western in 1977. He returned to Toronto as president in 1984. He was aided enormously throughout the review by the urbane chairperson of the governing council, St. Clair Balfour. The process began in earnest in November 1986 when the executive committee of the council agreed to discuss existing arrangements. By January a full-scale review was under way and Professor Edward J. Stansbury, former vice-president of planning at McGill, had been invited to undertake the initial investigation. His report, submitted in March, contained a litany of familiar complaints, most of them unchanged over more than a decade, deriding the political nature of the governing council and its committees, the inadequacy of faculty participation in the formulation of academic policy, and the isolation of the central administration. What had changed, however, was the level of support for a return to bicameralism. In reflecting this, Stansbury outlined two alternative approaches, one limited by existing legislation and the other requiring legislative amendments. If the act were to be reopened, he suggested it should be to make a complete revision. And if the act were to be revised, "a possible model for the new governing structure is a Board of Governors and a Senate."[66]

St. Clair Balfour then constituted a small advisory committee which drafted a discussion paper setting out the principal features of a modified unicameral system and a reconstituted bicameral structure. The paper was released in June 1987. By September, it was clear that the university community was divided over the two approaches, faculty and senior administration tending to favour bicameralism, with students and alumni preferring to retain the unicameral framework.[67] And by October, at the end of the second special council meeting held to discuss the governing structure, Balfour was able to comment "that there appeared to be a growing consensus in favour of a solution within the present *Act*."[68]

With that, Balfour prepared and circulated a two-page draft proposal for a revised unicameral arrangement, one that could be put in place without the risks inherent in seeking legislative changes. The proposed revisions were far reaching nonetheless, picking up on Macdonald's recommendation to combine the academic affairs and planning and resources committees. This time, the suggestion was to create an academic "board," whose membership would include the heads of all academic divisions as well as an increased number of faculty members, with a small minority of representatives of the other "estates." Indeed, members of the governing council would constitute a minority on the academic board.[69] In addition, the existing business affairs committee would be renamed the business board, and be delegated authority to act for the council in personnel and financial matters, including collective bargaining with staff groups. The business board would be composed primarily of government and alumni representatives on the council.

Thus would the principles of bicameralism and unicameralism be fused: the academic and business boards were essentially variations on the bicameral theme of a senate and board of governors; the distinctive feature lay in retention of the over-arching authority of the unicameral council. The council unanimously approved the proposal in principle at its meeting on December 3. Balfour then appointed a 15-member committee to flesh out the details. A draft report was published in March of 1988, and the final report was released in May. The new structure was approved by the governing council, again unanimously, on May 19, to take effect July 1.

The new structure continued the governing council and its executive committee without change. It created three standing committees, called boards. The key change was the establishment of the academic board, made up of 114 members: 28 academic administrators *ex officio*, 57 elected faculty members, and 16 students plus four support staff, three alumni, three government appointees and three presidential "assessors." That this was to be the senior academic governing body was clear not only from its composition, but also from its terms of reference:

> The Academic Board ... is concerned with matters affecting the teaching, learning and research functions of the University, the establishment of University objectives and priorities, the development of long-term and short-term plans and the effective use of resources in the course of these pursuits.[70]

The second principal committee was the 25-member business board, with a clear majority of governing council appointees. It was delegated authority to deal with capital projects, fiscal policy, fund raising, alumni affairs, community relations, tuition policy, as well as collective bargaining and personnel policy. In this, its creation resolved a long-standing controversy, of which Stansbury had been particularly critical; namely, that faculty and support staff members of the governing council faced an inherent conflict of interest in voting on salary and other terms of employment which required council approval but which directly benefited themselves. Henceforth such matters would be the preserve of the business board, with only minimal faculty and staff representation, and with a clear policy that individuals must refrain from voting on matters affecting themselves or an employee group to which they belonged.

There was also a third standing committee, known as the university affairs board. It has 20 members, the majority of whom are to be governing council members from within the university community. Its terms of reference encompass all non-academic aspects of university life, including student services and campus security. The significance of this committee is not yet clear. On the one hand, it would appear to be junior to the academic and business boards. On the other, it raises the possibility that what may actually be emerging is a form of tricameralism.

In any event, reform of Toronto's unicameralism was a major accomplishment for President Connell, and seems to have set the governing structure on a more secure foundation. As the president himself observed nearly a year after final agreement was achieved: "It will probably take years to fully realize the changes. But already, it has made an enormous difference in developing a collegial spirit on campus."[71]

All of this, along with changes in academic priorities, was part of a comprehensive program of institutional renewal. There was a third element to that program as well, one which Toronto shared with most other Canadian universities. The most visible sign was the launching of a $100-million, capital fund-raising campaign, but what was also at work was a deliberate attempt to foster closer ties with the business community.

University-Business Relations

It is not surprising that universities would turn increasingly to the private sector as a potential source of funds. Not only had this historically been an important source of revenue, but with government grants and tuition fees both declining in constant dollars per student, it also offered just about the only opportunity for fiscal flexibility.

Canadian universities have shown marked success in increasing private-sector funding. Still dwarfed by American experiences, Canadian capital campaigns, beginning with Toronto's, have now broken the $100-million mark in declared targets. Most universities have launched one or more campaigns over the past decade, and most have been successful. This may well be one of the most significant developments in university financing. Annual giving, primarily from alumni, has also increased. Between 1977-78 and 1987-88, when total revenue from government, measured in constant dollars per full-time equivalent student, fell by over 14 per cent and that from tuition fees fell by 4 per cent, revenue from gifts and non-government grants actually increased by 45 per cent. This still represents a small proportion of total income (6.2 per cent), but that proportion has almost doubled in 10 years (from 3.9 per cent).[72]

Increased reliance on the private sector has also extended to research. And here, public policy has joined financial necessity to encourage closer university-business cooperation. One of the early forms of this three-way partnership involved the creation of "science parks," inspired by the startling success of Stanford and the so-called Silicon Valley. Ontario was the first to enter this field, establishing Sheridan Park in 1964. The provincial government assisted in land assembly, but the park—a consortium of industrial research laboratories—operates in the private sector. Connections with the university are left to individual companies and researchers, but the intent was clearly to stimulate a closer association in Canada's industrial heartland.[73]

Several other such parks have since been created, some much more closely associated with a university. These include University Research Park, established in Calgary in 1967, Innovation Place in Saskatoon, opened in 1979, and the Edmonton Research Park which opened in 1980. The year 1980 also marked the launching of the most ambitious project thus far, British Columbia's Discovery Foundation, which was created to develop science parks in association with each of the three universities.[74]

A further stimulus to university-business cooperation was provided by the establishment in Toronto of the Canadian Institute for Advanced Research (CIAR), incorporated under federal legislation in 1981 as a private, non-profit corporation. The institute is designed to obtain private endowments with which to support world-class research. It was very much the brainchild of its founding president, Dr. Fraser Mustard, a scientist himself and a former vice-president of McMaster. In addition to his direct role in developing the institute, Mustard has used that office as a platform to lobby for closer university-business cooperation in support of research.

The campaign quickened in 1983 with the establishment of the Corporate-Higher Education Forum. Based in Montreal and sponsored by Concordia University, it is composed of an equal number of university and corporate presidents and, in addition to commissioning specialized studies and publications,[75] it provides a meeting place for senior executives of the two sectors to discuss matters of mutual interest and concern.

The federal government had for some time been a strong advocate of closer university-corporate relations, especially in research. The Science Council was a key player in this. Advocacy finally turned to action in 1986, with the inauguration of the matching grants program under the three granting councils (the Natural Sciences and Engineering Research Council, the Social Sciences and Humanities Research Council, and the Medical Research Council). As discussed in Chapter 6,* that program sought to tie increases in federal government funding of research to the level of contributions from the private sector.

The creative accounting used to maximize "private" contributions under this program drew the ire of both government and private sector critics. On the government side, the Senate Standing Committee on National Finance was particularly critical of the absence of comparative data. For the private sector, the Canadian Manufacturers' Association criticized the detachment of government grants from the specific business-supported projects which gave rise to the matching funds. Its overall assessment was damning: "In sum, the end result of the matching-funds scheme might well be no improvement or very possibly a worsened situation for researchers, the granting councils, and concerned businesses."[76]

The CMA brief went on to call for a much closer university-business relationship, but not one in which business simply foots a larger portion of the bill previously paid by government. Universities, the brief argued, must become much more sensitive and responsive to the needs of an increasingly competitive economy. If they do not, they will simply be passed by.

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* *Supra*, pp. 422-23.

The federal government had quickly moved on from its matching grants program to introduce its next major initiative, in the form of the networks of centres of excellence. All the programs funded under this umbrella involved some degree of private-sector participation. This initiative was considerably more successful. With hindsight, it is probably appropriate to see the matching grant scheme as an experimental step in the process that Davis, Alexander and MacDonald so perceptively describe as "the political incorporation of innovation systems."[77] If so, then the implications are nothing if not far-reaching. The purpose of such incorporation would be to draw universities, private industry, and government into a technologically driven industrial strategy that might successfully avoid economic marginalization.

All of this immediately gives rise to concerns about implicit threats to academic freedom and institutional autonomy. Are universities in danger of selling their souls for a mess of corporate pottage? Taking up that question, John Panabaker, chairman and chief executive officer of The Mutual Life Assurance Company of Canada and a founding member of the Corporate-Higher Education Forum, argues that universities have no real choice:

> Rightly or wrongly, society has come to see universities as critically important to economic development, and expects to support universities more generously because of that perception. But that support will not make the universities' lives easier. They must still redefine their roles in relation to their own sense of purpose, and in relation to the needs and priorities of the larger society. That redefinition represents one of the greatest challenges Canadian universities have ever had to face.[78]

Davis, Alexander and MacDonald push the case much further, suggesting that the pressures are a good deal more sinister and the consequences much more troubling:

> Canadian governments are trying to influence the economy's technological performance primarily through universities and public labs, not through initiatives aimed directly at the productive sector. This requires that the higher learning be coopted .... This is the political manifestation of a deeper development, the bureaucratic organization of knowledge. Under these fiscal and political pressures the universities' traditional independence is quickly eroding. Vast sums of money, hordes of people, and almost all governments are dedicated to the realization of this prospect.[79]

If the future entails a redefinition of university roles, and therefore of governmental structures and administrative mechanisms to support them, it foretells a story no less fascinating than that which has unfolded to the present. In drawing the present story to a conclusion, it is appropriate to reflect on the relationship between universities and public policy in Canada.

Notes

1. MPHEC, *Financial Plan, 1990-91*. Fredericton, 1990, p. 12.
2. In 1977, Ontario and Alberta instituted policies charging higher fees for foreign students. Quebec and the Maritime provinces under the MPHEC adopted similar policies in 1979. See Statistics Canada, *Tuition and Living Accommodation Costs in Canadian Universities* (Catalogue 81-219), Annual.
3. In contrast, Quebec pursued a policy of differential fees for foreign students with a vengeance. By 1984-85, foreign student fees were approximately 10 times those for Canadians.
4. In contrast with practices in other provinces, however, the additional revenue remained with the universities. In 1986 the University of Regina, but not Saskatchewan, also began levying a higher fee for foreign students.
5. Calculated from data in Ontario, *Interprovincial Comparisons of University Financing*, 1989.
6. Statistics Canada, *Financial Statistics of Education, 1985-86* (Catalogue 81-208)
7. Jeffrey Holmes, "The Demography of the Professoriate," *University Affairs*, March 1974, p. 2.
8. A diluted form of merit is found in most universities insofar as salary increments reach a maximum by rank, requiring a positive decision on promotion before real salary progression resumes.
9. In the decade from 1976-77 to 1986-87, the average age of university faculty members increased from 41 to 46, an average annual increase of half a year. By comparison, if there were no movement in or out, the average age would obviously increase by one per year. Conversely, in an "ideal" or steady-state pattern, there would be no change in the average age from year to year. Figures taken from AUCC, *Trends: The Canadian University in Profile*. Ottawa, 1990, p 74.
10. Statistics Canada, *University Finance, Trend Analysis 1977-78 to 1986-87*. (Catalogue 81-260). Total expenditures on academic salaries are given as $2,429,630,000). As the faculty bulge works its way through the system, this cost should decline, some time after 2000.

11. For an excellent review of mandatory retirement and its treatment in legislation and court decisions, see Thomas Flanagan, "The Future of Retirement in Canadian Universities," *The Canadian Journal of Higher Education*, vol. XIV, no. 3 (1984), pp. 19-34.

12. Statutes of Quebec, 1982, Chapter 12, "An Act respecting the abolition of compulsory retirement . . . ."

13. CAUT, "Policy Statement on Retirement and Non-discrimination on the Basis of Age," section 2.2.

14. CAUT *Bulletin*, May 1985.

15. CAUT *Bulletin*, December 1986.

16. CAUT *Bulletin*, September 1986, and AUCC, *University Affairs*, December 1986.

17. McKinney v. University of Guelph, Supreme Court of Canada, Preliminary version (not yet reported), December 6, 1990, p. 46.

18. Ibid., p. 37.

19. Ibid., p. 37.

20. Ibid., p. 46.

21. See Julia Weston, "When Retirement is No Longer Mandatory," *University Affairs*, January 1983, and Thomas Flanagan, Ibid., p. 27.

22. Confidential interview.

23. University of Ottawa, *Collective Agreement between the University of Ottawa and the Association of Professors of the University of Ottawa*, 1 May 1987 to 30 April 1990, Article 39.

24. CAUT, "Policy Statement," section 2.6.

25. The debt was as high as $28.2 million in 1982-83, but was subsequently reduced through the sale of non-essential properties. About $6.7 million was incurred in the acquisition of ancillary facilities such as student residences, while $18.4 million was in support of academic programs. Dalhousie University, Financial Strategy Committee of the Board of Governors, *Draft Final Report: "No Single Solution,"* June 1990, pp. 6-8.

26. John Armour, "McGill University—Income and Budget Restrictions," in AUCC, *Proceedings*. Ottawa: 1982, p. 69.

27. Cynthia Hardy, "Using Content, Context, and Process to Manage University Cutbacks," *The Canadian Journal of Higher Education*, vol. XVII, no. 1 (1987), p. 75.

28. McGill University, *Plan de redressement budgétaire, 1987-88 à 1992-93*. Montreal: 1987, pp. 1-2.

29. Cited in McGill University, *Plan de redressement budgétaire, 1987-88 à 1992-93*. Montreal: 1987, p. 2 (my translation).

30. An earlier study, using 1984-85 data and comparing each institution's approved base with the provincial average, had arrived at an even higher level of inequity, calculating the amounts above and below the norm at $32 million. The relative distribution was dramatically different, however. See Québec, *Hypothèse de repartition des crédits additionnels aloués aux universités pour 1987-88 et 1988-89.* Annexe 1, "Etudes comparatives des bases de financement," June 8, 1987.

31. McGill University, *Plan de redressement*, p. i.

32. Memorial, Dalhousie, New Brunswick, McGill, Sherbrooke, McMaster, Ottawa, Queen's, Toronto, Waterloo, Western, Manitoba, Saskatchewan, Alberta, Calgary, British Columbia, Simon Fraser, Victoria.

33. Statistics Canada, *Salaries and Salary Scales of Full-time Teaching Staff at Canadian Universities* (Catalogue 81-258), annual.

34. Brian Hayman, Gail Cook-Johnson, and Robert E. Sanderson, *A Comparative Study of Compensation of Faculty and Senior Administrative Personnel in Ontario Universities.* Toronto: Hay Management Consultants, 1988, p. 28.

35. Ibid., p. 34. The consultants recognized that the unique salary structure for faculty members yielded no benchmark salary rate for the job of professor, comparable to average salaries for specific positions in the private and public sectors. As a proxy, they used the average salary for tenured and tenure-stream faculty at the mid-point of their careers. On this basis, the average Ontario faculty salary of $55,500 fell $4,000 below comparable public sector positions and $15,500 below professionals employed in the private sector.

36. Ibid., p. ii.

37. Dalhousie University, *A Collective Agreement between the Board of Governors of Dalhousie College and University and the Dalhousie Faculty Association*, 1988-90, Clause 14.18.

38. Québec, Conseil des universités, *Les Chargés de Cours dans les universités Québécoises*, September 1989, pp. 14-16.

39. Ibid., pp. 25-6.

40. Ibid., pp. 88-90.

41. Calculated from data in AUCC, *Trends: The Canadian University in Profile*. Ottawa, 1990.

42. Michael L. Skolnik and Norman S. Rowan, *"Please, Sir, I Want Some More"—Canadian Universities and Financial Restraint*. Toronto: OISE, 1984, p. 101. Emphasis added.

43. Harold T. Shapiro, "Operating with Resource Constraints—Some Reflections." AUCC, *Proceedings of the Annual Meeting*, 1982, p. 49.

44. George Keller, *Academic Strategy: The Management Revolution in American Higher Education*. Baltimore: Johns Hopkins University Press, 1983, p. 121.

45. University of Victoria, Institutional Analysis, *Academic Resource Allocation Indices*, 1986, p. 16.

46. For an excellent discussion and analysis of the process at Simon Fraser, as well as a comparison with the University of British Columbia, see Cynthia Hardy, "Retrenchment Strategies in Two Canadian Universities: A Political Analysis," Research Paper # 88-08, Faculty of Management, McGill University.

47. William G. Saywell, "The Future of Simon Fraser University," September 20, 1984, p. 8.

48. Ibid., p. 18.

49. These included degree programs in landscape architecture, recreation education, industrial education, and media technology, diploma programs in dental hygiene and agricultural sciences, and a licentiate in accounting.

50. Hardy, *Retrenchment Strategies.*, p. 3.

51. An inconclusive report was finally published in 1987. See CAUT Committee of Inquiry, University of British Columbia, "Final Report," February 1987. Published in the CAUT *Bulletin*, December 1987.

52. Donald C. Savage, ed., *C.A.U.T. Handbook*. Ottawa: September 1971, p. 49.

53. Ibid., p. 50.

54. Agreements vary in the stringency with which they define academic reasons. Manitoba's agreement, for example, requires that redundancy be based on academic grounds but allows that it may arise primarily for financial reasons (*Collective Agreement between the University of Manitoba and the University of Manitoba Faculty Association 1 April 1987 - 31 March 1990*, Section 28.1). Dalhousie's agreement, on the other hand, restricts redundancy to situations in which senate decides "for bona fide academic reasons that a Programme should be varied, reduced or eliminated." (Dalhousie University, *Collective Agreement*, Section 25.02)

55. University of Ottawa, *Collective Agreement between the University of Ottawa and the Association of Professors of the University of Ottawa, 1 May 1987 to 30 April 1990*, Section 19.1).

56. University of Manitoba, *Collective Agreement*, Section 29.1.

57. Dalhousie, *A Collective Agreement*, Sections 27.22 and 27.28.

58. The University of British Columbia, *Agreement on the Termination or Non-Renewal of Faculty Appointments for Financial Exigency*, February 6, 1986.

59. For an excellent account of the background to the conflict, see Julia A. Eastman, "Programme Structure and Academic Freedom: An Analysis of the 'New Programme' in Architecture at the University of Toronto, 1968-1983." *Canadian Journal of Higher Education*, vol. XVI, no, 3 (1986), pp. 13-29.

60. CAUT *Bulletin*, February 1986.

61. Cited in George Connell, *Renewal 1987*. Toronto: University of Toronto Governing Council, 1987, p. vii.

62. Statutes of Ontario, 1971, Chapter 56.

63. John B. Macdonald, *The Governing Council System of the University of Toronto 1972-1977: A Review of the Unicameral Experiment*. Toronto: 1977, p. 12.

64. Ibid., p. 52.

65. Robin Ross, *The Short Road Down: A University Changes*. Toronto: The University of Toronto, 1984, p. 78.

66. Edward J. Stansbury, *Report on the Unicameral Governing Structure of the University of Toronto*. Toronto: 1987, p. 9.

67. University of Toronto, The Governing Council, *Minutes of the Governing Council*, September 14, 1987.

68. University of Toronto, Governing Council, *Minutes of the Governing Council*, October 15, 1987.

69. Because the act prevented council from delegating any of its powers to a body on which council members did not constitute a majority, this proposal would necessitate an arrangement whereby decisions of the board were subsequently ratified by the council or its executive committee.

70. University of Toronto, *Report of the Chairman's Advisory Committee on Governance*, 1988, p. 40.

71. Quoted in AUCC, *University Affairs*, March 1989.

72. AUCC, *Trends*, p. 96.

73. Charles H. Bélanger, "Canadian Science Parks," *International Journal of Institutional Management in Higher Education*, vol. 12, no. 2 (1988), pp. 189-97.

74. AUCC, *University Affairs*, January 1980.

75. The first was by Judith Maxwell and Stephanie Currie, *Partnership for Growth: Corporate-University Cooperation in Canada*, published in 1984. This was followed a year later by the report of a task force headed by Raymond Cyr, entitled *Spending Smarter: Corporate-University Cooperation in Research and Development*. A number of publications have followed.

76. Canadian Manufacturers' Association, *Keeping Canada Competitive: The Importance of Post-Secondary Education*, March 1987, p. 11.

77. Charles Davis, Jon Alexander, and Leo MacDonald, "The Political Incorporation of Innovation Systems: Collective Action and Canadian Science and Technology Policy." *Reseaux revue interdisciplinaire de philosophe morale et politique*, Combined nos. 58-60.

78. John H. Panabaker, "Government Incentives and Business Connections: Faustian Pacts?" Address to the Canadian Society for the Study of Higher Education and the Association for Canadian Studies, McMaster University, June 1, 1987, p. 11.

79. Jon Alexander, Charles Davis, and Leo MacDonald, "The Political Incorporation of Higher Education: A Problem for Democratic Theory," in Bernard Crousse and Charles Amirante, eds., *Science, technologie et education*. Paris: Editions de l'Harmattan, forthcoming.

CONCLUSIONS

10

Federalism, Public Policy, and Universities

The preceding pages sketched out the story of Canada's universities and the public policy framework within which they grew and were, in turn, transformed. It is a story that invites reflection, not only on the drama itself, but also on what it reveals about Canadian federalism and the formulation of public policy within a federal framework.

Reflections on Canadian Federalism

Both orders of government intensified their involvement with universities in the postwar period. The resultant interplay of federal and provincial policies and programs bears witness to both the strength that can arise from effective cooperation, and the confusion and loss of direction that can attend intergovernmental competition. In this, it reveals the best and the worst of Canadian federalism.

We observe federalism at its worst in the heavy-handed use of the federal spending power that yielded direct grants to universities, disregarding altogether the constitutional jurisdiction of the provinces, inviting a fight with the government of Quebec, and undermining established policy in other provinces (as, for example, Ontario's withholding of public support from church-controlled institutions).

Subsequent events witnessed the evolution of these grants, first through an opting-out arrangement with Quebec, then a shared-cost program with all provinces and, subsequently, a one-time transfer of taxing capacity plus annual but wholly unconditional cash grants. The evolution brought federal transfers into line with constitutional principles, but at a very high price in terms of purpose and effectiveness. Indeed, federal grants under the Established Programs Financing (EPF) arrangement serve no discernible purpose at all, an outcome reflected, in turn, in successive steps to hasten their demise.

In the meantime, relations between federal and provincial officials had been thoroughly soured, and the legacy of provincial distrust of real or perceived federal intrusions continues as an undercurrent in federal-provincial relations.

We see federalism in a better light in the case of research. Here, the two orders of government have managed to carve out distinctive roles but, significantly, without the need for formal definition. The federal government plays the major role in sponsoring research, but not in a manner that precludes parallel or complementary provincial funding. Quebec has been especially active in this regard, but nearly all the provinces support university research to some extent. Moreover, a good deal of intergovernmental learning takes place. Nowhere is this more apparent than in efforts to foster greater university-industry cooperation, where early provincial experiments were taken up and extended by the federal government into its contemporary networks of centres of excellence program. Provincial governments, in turn, assisted their universities in competing for federal funds. The great flaw in the intergovernmental record in research is the continuing refusal of the federal government to cover the indirect costs of the research it sponsors.

We see federalism at its best in the Canada Student Loans Program. Here, federal and provincial constitutional jurisdictions are both respected and blended. The federal government participates through lending institutions and subsidizes interest charges for loans to students whose applications are approved by provincial authorities. The provinces, for their part, are able to coordinate the federal program with their own grant and bursary schemes, providing integrated packages of student support. Moreover, Quebec's distinctiveness has been effectively accommodated through the simple device of an equivalent fiscal transfer on the one hand, and by the participation of its officials in inter-governmental discussions related to the administration and evaluation of student aid on the other.

Education remains, of course, a provincial constitutional responsibility. In this, federalism reveals its considerable capacity for both divergence and convergence among the outcomes of 10 provincial policy processes. After a short hiatus of indecision, provincial governments leapt to the support of university growth in the 1960s, with responses as varied as they were expensive. Some of the differences in approach are instructive.

Newfoundland, of course, was new to the Canadian scene, and had but a thin institutional foundation upon which to build a university system. Precisely because of this, however, it escaped the rigidities and jealousies that elsewhere inhibited rationalization. Newfoundland was able to proceed directly and with dispatch to the creation of a single public, provincial university. It was an impressive accomplishment, taking Memorial, in the space of a decade, from a tiny junior college to the largest, full-service university in the Atlantic provinces. In the longer run, it will be interesting to see if history repeats itself, with Memorial's Corner Brook campus succumbing to the pressures and aspirations that have previously led to autonomy for so many other satellite campuses and affiliated institutions.

The common heritage of the Maritime provinces was a university network of small, mostly denominational, institutions. The issue of consolidation thus faced all three provinces, albeit in varying forms and degrees. Each province responded differently to this common challenge.

New Brunswick began with the perceptive and sensitive plan prepared by the Deutsch royal commission. The plan recognized and built on the province's bilingual character by providing for the consolidation of most of the existing institutions into two provincial universities, one English and one French. This plan was put in place with remarkable success, particularly on the French side, as the host of dispersed colleges were gradually integrated into the Université de Moncton. On the English side as well, religious and geographic factors were overcome in the affiliation of St. Thomas with the University of New Brunswick, and in the insistence that university education in Saint John be offered through a satellite campus. As with Newfoundland, only time will tell whether that policy can be sustained. That Mount Allison was allowed to remain outside the fold of the provincial university probably reflects the wisdom of the royal commission and of subsequent provincial governments in not overreaching the practical limits of institutional consolidation.

If one lesson were to be drawn from Prince Edward Island's early experience, it would be that sometimes decisive government action provides the most direct route to institutional reform. The island's two little colleges showed every intention of going their separate ways, despite a royal commission report which urged cooperation (but shied away from recommending union). A clear provincial ultimatum, issued by the premier himself, forced the issue, and few would now argue that the province is not the better for having a single, public university.

Nova Scotia pursued a gentler approach and, in consequence, acceded to the development of a highly decentralized, multi-institutional university system. The University Grants Committee, the first of the provincial intermediary agencies, made considerable progress in building the foundation for voluntary cooperation and consolidation, at least within Halifax, but it came to little for want of government support. A multiplicity of degree-granting institutions continues as perhaps the most distinguishing characteristic of higher education in Nova Scotia, and the bane of public policy efforts at rationalization.

The idea of rationalization underpinned the establishment of a quite unique Canadian experiment in the Maritimes: a single intermediary agency for the three provinces. Nova Scotia was never as enthusiastic about the Maritime Provinces Higher Education Commission (MPHEC) as the two other provincial partners, and early on withdrew from a single, regional funding formula. More recently, it has put the continued existence of the regional commission in doubt, creating its own provincial intermediary body, albeit with a membership that serves on both agencies.

Ontario and Quebec provide interesting contrasts in their respective approaches to university policy. Ontario, more than once accused of not having a plan, nonetheless developed an impressive province-wide network of universities, marked by a substantial measure of institutional differentiation. Ontario's genius resided in the quality of advice available to successive provincial governments, as well as in the wisdom underlying the acceptance of much of that advice. And while a price may well have been exacted by the absence of a comprehensive plan, much is to be said for the pragmatism that has informed provincial policy. It was Ontario, significantly, that established the first government department responsible for university affairs. It was also Ontario that pioneered the development of a number of policy instruments, perhaps most notably the enrolment-based funding formula, the cyclical reviews of graduate programs, and the collaborative research centres of excellence. Most recently, it was Ontario that developed the concept of targeted funding, using conditional policy envelopes.

Quebec, by contrast, reveals something of both the advantages and limits of comprehensive planning. The grand design set out in the Parent report and quickly accepted as the blueprint for provincial policy, was awesome in its scope and urgency. The resulting transformation of higher education in Quebec, dedicated to accessibility, democracy, and *rattrapage,* involved the creation of a network of colleges bridging high school and university (replacing the classical colleges and combining academic programs with technical and vocational training), the conversion of the three Catholic universities into public institutions, and the launching of the multi-campus provincial Université du Québec. It stands as eloquent testimony to the rapid and far-reaching change that is possible in higher education when provincial policy is guided by a clear plan and supported by political will and adequate resources.

At the same time, Quebec's experience also bears witness to the limits that confront public policy, even under very favourable circumstances. Provincial officials were not able to wrestle from the universities control over admissions or credits, nor were they able to persuade any established university to join the Université du Québec. That institution remains a truncated system-within-a-system and has, in turn, witnessed the growing autonomy of its constituent units, most recently in the form of substantial academic independence for its flagship campus, the Université du Québec à Montréal.

Distinctive patterns of public policy are also evident in the western provinces. Manitoba, bridging east and west in this as in so many respects, had originated the concept of the public university associated with denominational colleges. This concept was to play a central role in the evolution of universities, particularly in Ontario. At the same time, it embodied the common western commitment to a single, provincial university.

If the four western provinces shared an historic commitment to the idea of a single university, they differed considerably in how they adapted and eventually abandoned the idea in the face of pressures of growth and expansion. British Columbia was the first to act, in the early 1960s, responding with alacrity to the Macdonald report, elevating Victoria to university status, launching Simon Fraser and, in the process, passing Canada's first comprehensive universities act. It was also significant that whereas Macdonald had recommended a hierarchy of institutions, with UBC at the apex, the government granted them all equal status. The single provincial university had given way to three. Some 25 years later, after having put its universities through a dramatic period of financial restraint unparalleled in other provinces, British Columbia once again embraced expansion, this time by offering full degree programs in selected colleges, and launching a new university in Prince George.

Alberta took a different approach, embarking on a joint university-government planning process. That process led not only to an early decision to free Calgary from its junior status as a mere offshoot of the main campus of the University of Alberta at Edmonton, but also to the passage of a universities act in 1966 which equalled British Columbia's in its comprehensiveness but added an altogether new provision: authorization for the establishment of additional universities by simple order-in-council. Both Lethbridge and Athabaska were subsequently established under this authority. Alberta came very close to taking what would have been another unprecedented step in provincial legislation, incorporating all postsecondary and vocational education within the framework of a single statute. In the event, the universities were not included. Alberta has occasionally been criticized for intruding on university autonomy, but it is worth noting in contrast that it has all the while maintained the highest per student level of provincial operating support, and has been a pioneer in its targeted support of university research.

Manitoba also adopted the order-in-council route to expansion a few days after Alberta, and quickly applied it in freeing Brandon and United (which became the University of Winnipeg) from affiliation with the University of Manitoba.

Saskatchewan, meanwhile, stuck with tenacity to its one-university policy, experimenting with a succession of arrangements that granted the Regina campus progressively more autonomy while keeping it within the organizational fold of the University of Saskatchewan. The upshot, however, was growing bitterness and frustration. Eventually, Saskatchewan was forced to back away and in 1974, a decade after the other western provinces had abandoned their commitments to a single university and following the recommendations of a royal commission, the government created the free-standing University of Regina.

As the experience of the western provinces attests, federalism is about more than divergence in provincial policy. There has been a remarkable degree of convergence as well. Indeed, the lesson that emerges from this study of university policy is that while federalism fosters diversity in provincial policy, it simultaneously limits the scope of that diversity. It does this in at least three ways.

First, federalism fosters intergovernmental learning. Examples of this are legion, including the rapid spread of formula financing, the common reliance on advisory intermediary agencies (indeed, even the successive elimination of such agencies in Alberta, Saskatchewan, and British Columbia), the remarkably similar provincial responses to restraint, and the growing popularity of targeted funding and the promotion of university-industry linkages. University policies show remarkable similarities across all provinces, yet as the outcome of actions by 10 autonomous governments. It is perhaps most striking that universities in all provinces are public institutions, if not always in legal origin.[1]

Second, federalism gives rise to interprovincial comparisons which, in turn, constrain the practical scope of provincial experimentation. That no other province followed the lead of British Columbia in the severity of its restraint program helps to explain the speed with which that program was abandoned. But perhaps the most dramatic illustration of the power of interprovincial comparisons is to be seen in Quebec, and the decision to increase university operating grants in 1987, a decision reflecting an explicit objective of restoring parity with universities in Ontario.[2]

Third, federalism is a characteristic of society as well as of government. In this, Canada has developed a multitude of institutions and networks that foster communication and facilitate the formation of common positions among universities and their constituent associations. The Association of Universities and Colleges of Canada and the Canadian Association of University Teachers are the most comprehensive of these interest groups, but there are many others, from the discipline-based learned societies to associations of librarians and business officers. Students, of course, are anything but innocents when it comes to common political action. The upshot is that in their dealings with universities, provincial governments confront institutions with a pan-Canadian (even international) community of interest, and with considerable capacity to support one another when threatened by malevolent policies of purely provincial origin.

This begs the question of whether our story reveals trends in public policy that might shed light on future directions. In addressing this question, it would be folly to suggest that the patterns of change in the past can be taken to predict the future. But at the same time, it would be shortsighted to assume that the problems inherited from the past will play no part in shaping the issues that will confront public policy.

Trends in Public Policy

One trend seems quite clear. Despite a lingering nostalgia in a number of university quarters, the era of direct federal involvement in the core funding of universities appears to be over. It emerged as the by-product of wartime centralization and its postwar legacy, including a belief that investment in higher education would stimulate economic growth. It has now degenerated to unconditional fiscal transfers to the provinces which are, in any case, programmed to wither away.

This trend has been further confirmed by the constitutional crisis bequeathed by the failure of the Meech Lake Accord and, with it, the question of Quebec's accommodation within the revised federal constitution. Whatever the future holds in store with respect to federalism and the division of powers, it is unlikely to include an early expansion of federal involvement in areas currently under provincial jurisdiction.

This is not to suggest that the federal government can play no role in higher education. As the Council of Ministers of Education has for some time explicitly recognized, and confirmed as recently as the 1987 National Forum, there are areas of higher education in which the federal government has a legitimate interest. The education of aboriginal peoples certainly falls within this category by virtue of federal constitutional responsibilities. Support of foreign students, as part of Canada's international obligations and foreign policy, does as well. The three defence colleges, now all granting degrees under provincial legislative authority, have long been recognized as falling within federal jurisdiction over defence. A case can be made that assisting interprovincial student mobility also serves a federal purpose, and an expanded federal role in this area (beyond that already incorporated in the Canada Student Loan Program) could help to alleviate the burden of inequity that now falls upon provinces like Nova Scotia which experience a net in-migration of students. Certainly it poses an attractive alternative to the prospect of differential fees for out-of-province students. The federal government already serves as the central source of much of the statistical information that is available on higher education, and one of the priorities established at the National Forum was an improved base of comparable data. Some organizational progress has already been made in this area.

It may even be, although the prospects of this are surely reduced in the post-Meech Lake environment, that federal jurisdiction in matters of economic management can legitimately encompass support for university programs that serve as instruments of employment policy. This question would presumably be taken up in any study of human resource development that might emerge as a result of the first ministers' 1989 agreement to sponsor a joint study.

It is in support of university research that the federal government has acquired its most significant role, initially through the National Research Council, subsequently through the three granting councils (the Natural Sciences and Engineering Research Council, the Social Sciences and Humanities Research Council, and the Medical Research Council), and most recently augmented by the matching grants policy and centres of excellence programs.

Shifts in federal policy have exacerbated a long-standing flaw in federal support of university research: the failure to recognize indirect costs. So long as this continues, federal policy will continue to work at cross purposes, constraining the very universities most responsive to its research priorities. It is true that provincial governments are now moving to compensate for this constraint through their own funding arrangements, but that is not likely to provide more than a partial solution. For one thing, no province supports the full indirect costs incurred by virtue of federal direct grants. For another, provincial expenditure decisions are once again made dependent on, and therefore distorted by, the consequences of federal policy. A far more satisfactory arrangement would be for the federal government to assume the full costs of the research that it chooses to support through its councils. And if, as has so frequently been suggested, university research is taking on increased significance for strategies designed to increase economic competitiveness, then a resolution of this problem becomes even more critical.

There are a number of ways in which the indirect costs of research might be incorporated in federal funding. One would be to take the advice of the Senate Committee on National Finance and redirect a portion of the EPF cash grants to the research councils, enabling them to increase the value of grants to cover indirect cost. While this would have the advantage of securing a clear federal purpose in the use of these funds, it would probably spawn political difficulties arising from the consequent redistribution of federal spending among the provinces. In the short run, the change would work to the relative advantage of only two provinces, Ontario and Quebec.[3] Again, however, it is important that this short term problem be measured not only against the continuing problems associated with the absence of purpose in EPF, but also against the longer term expectation that the grants will otherwise disappear altogether. Moreover, the redistributive consequences of covering the full costs of sponsored research would simply quantify the present reality of differing degrees of research intensiveness among Canadian universities.

Economic competitiveness is also a matter of growing concern to provincial public policy, and with it is likely to come a greater interest on the part of provincial governments not only in research, but also in system rationalization.

The goal of system rationalization remains as vague and elusive as ever. Yet much has come from institutional specialization, mostly unplanned in any comprehensive sense. One need only observe the differing degrees of research intensiveness to see the evidence of this. At the same time, remarkably little has come directly from government complaints and exhortations. For one thing, provincial policy has been remarkably respectful of institutional autonomy. Universities have nowhere in Canada become mere agents of provincial governments, and there is no indication that any province seriously intends to have it otherwise. The Supreme Court of Canada, in its recent decision on mandatory retirement, provided a forceful reminder of this. For another thing, provinces have for the most part employed rather blunt policy instruments in pursuing the twin goals of coordination and rationalization.

It is in this regard that the emerging trend toward earmarked or targeted funding takes on heightened significance. As an instrument, it contains considerable potential for conveying clear and powerful policy signals and incentives, while at the same time leaving to universities themselves responsibility for shaping their institutional responses (and, as a result, taking responsibility as well for the consequences).

Targeted funding is, as the Bovey commission suggested, conducive to a more competitive approach to government-university relations generally, and system rationalization specifically.[4] Because of this, it is likely to attract increasing provincial interest. It has not yet proved very effective in stimulating university-industry cooperation, but that may be more a reflection of the weakness of the specific instruments thus far utilized than of the potential of targeted funding to promote this objective.[5] The present situation invites further provincial experimentation with alternative approaches, including continuing evaluation of the effectiveness of intermediary agencies and, undoubtedly, the development of more specific indicators of institutional performance.[6]

If it is the case that provincial governments are likely to rely on incentives rather than regulation to promote institutional adjustments and, in particular, closer university-industry cooperation, this will have far-reaching implications for the government and management of universities. The success of economic policies based on increased technological competitiveness will depend to no small degree on the strength of university management.

Implications for University Management

The patterns of public policy after the Second World War and, especially, the emphasis on accessibility and therefore institutional growth, set the stage for profound changes within universities. University faculty members, their numbers rising in a seller's market, laid claim to a more central role in university government and management. The push for increased participation, defined and legitimized by the Duff-Berdahl commission, not only altered the structures of boards and senates but also stripped presidents and deans of a good deal of their traditional management authority.

The prize of participation in the government and management of universities was quickly tarnished for many faculty members and their associations. All of a sudden, as the 1960s gave way to the 1970s, growth and expansion yielded to prospects of declining enrolment and government restraint, exacerbated by the legacy of student activism and an evident loss of public confidence in the university as the route to immediate economic success. The future was indeed not what it used to be.

Along with other professionals, many faculty members looked with interest to the security promised by unionization and collective bargaining. This did nothing to change the environment of public policy, however. Governments held to policies of fiscal restraint, while unexpected enrolment increases exacted a steady price in terms of increased productivity. Nor was relief at hand from possible administrative savings. Unionization took hold among non-academic employees as well, while public policy joined institutional complexity in imposing additional expenditure requirements on that side of university operations.

All of this has brought with it a new form of centralization, as scarce resources must of necessity be carefully shepherded, as collective bargaining imposes uniform rules and a hierarchical appeal process, and as concerns for safety, equity, and affirmative action cut across the whole institution. This centralization has not yielded increased management discretion, however. Rather, discretion has been attenuated, as more and more decisions are either routinized or subjected to negotiation, or both. This is especially so in unionized universities. But even without unionization, university decision making has become sufficiently politicized that it is often easier to block change than to promote it.

This puts a premium on leadership within the university, just as it imposes ever tighter constraints on the capacity of presidents and other senior officials to lead. Thus we face the essential problem of university government and management: how to foster and sustain leadership and institutional flexibility, especially in the internal reallocation of resources, when a host of external and internal pressures sharpen competitive instincts for survival and yield procedures better designed for blocking change than choosing it.

One strategy that is not likely to succeed is any attempt to turn the clock back to some halcyon bygone age. That approach is perhaps most tempting, but most certainly doomed to failure, in the case of faculty unionization. To contemplate legislation depriving faculty members of rights already obtained would be to contemplate political interference that would certainly be divisive and would probably be unconstitutional. It is to be regretted that no province besides Alberta provided faculty members with an alternative to private-sector labour legislation, and therefore the presumption of an adversarial relationship between employer and employee, including the ultimate sanction of the strike.[7] Similarly, it is to be hoped that if, in the future, some currently unionized faculty associations reach a level of maturity permitting a consideration of alternatives, then provincial governments will provide legislative frameworks for collective bargaining and the settlement of disputes that are more appropriate to a university. Collegiality, however, cannot be legislated.

The most compelling route to strengthening the management capacity within universities may well be to strengthen the role of governing boards. The reason for this is quite simple: the board is the body most likely to command public confidence while at the same time comprehending the nature and mission of the university. The board can thus justify state support while respecting academic freedom and self-government, all the while supporting strong management. It is the linchpin.

But precisely because of this, the board cannot itself manage the university. To do so would destroy academic self-government. The university is a self-governing professional organization or it is not a university.[8] The true function of the board is not to manage the university, but to ensure that it is well managed. And in this, board members must be careful not to become, themselves, yet another constraint on management, demanding and critical rather than supportive and helpful.

What does this imply? What aspects of university management might boards seek to strengthen? First, a caveat: it would be folly to offer a simple prescription. What may be necessary in one university may be inappropriate or already in place in another. Each university and board can best assess its own problems and strengths, and chart its own course toward more effective management.

Second, the pre-eminent goal of all universities, scholarship of the highest possible quality in both teaching and research, is not the direct product of management, but of the faculty and students who comprise the body of the university. Management is thus a secondary function. It is nonetheless an important one. It is the means by which each university, as an organization, defines and seeks to attain its specific objectives not only within its particular community but also within the shared mission of universities generally.

Third, there are a number of means open to governing boards to improve the quality of management in universities, and to assist management in improving the quality of the university. Some of these warrant further, if brief, comment.

Selecting the President. Choosing a president is probably the single most important function of most boards. They may be assisted by broadly representative search committees, but the final responsibility is almost always theirs.[9] Selection of a president also provides a unique opportunity for a general review of institutional health and management and, consequently, clarification of qualities to be sought in the next president. A number of boards have recently turned to professional consultants for assistance in this regard. With or without such assistance, it is critical that boards fulfil this key responsibility effectively.

While research on university boards is sparse, a recent study by Michael Hatton involved interviews with 31 board members, each of whom served on boards of one or more private sector corporations as well as on the board of an Ontario university. When asked to describe the essence of the board member's role, whether in the public or private sector, "Most of the directors responded . . . by stating that the essential element of their role is 'the responsibility for' selecting the C.E.O. and otherwise ensuring good management is in place."[10]

Part of ensuring that good management is in place must surely include evaluating the performance of the president once appointed. On this point, the findings of the study were not so encouraging:

> When the directors were asked if they had ever served on a board, profit or not-for-profit, which had an established, meaningful, formal process for evaluating the C.E.O., seventy-five percent answered negatively for the profit sector and over eighty percent answered negatively for the not-for-profit sector.[11]

Another part of this same function extends to strategic planning.

Strategic Planning. If it is the case that future public policy, responding to changed economic circumstances, is likely to foster increased institutional differentiation through competition, then the path to success for individual universities will be via strategic planning and management. No particular planning process is implied by this and, indeed, there is evidence to suggest that overly formal planning may be a disadvantage in dynamic situations.[12] Rather, what is suggested is simply that the universities which succeed will probably be those that have a clear, collective sense of where they are going, a sense that is consonant with both external circumstances and internal strengths.

Developing and pursuing an institutional strategy, if it is actually to guide action and relate to outcomes, must ultimately be the responsibility of the president and involve the academic leadership of the whole university. But there is also a role to be played by the board. Murray Ross, former president of York University, suggests that setting goals is the pre-eminent responsibility of boards generally, whether of public or private-sector corporations:

> The board is responsible for establishing both long-term and short-term goals for the corporation. This is not to say that management does not formulate these goals and objectives but, if this is the practice, automatic approval by the board should not be expected. The board has an obligation to explore, question, and change, if necessary, any such plans presented by the Chief Executive Office . . . .[13]

In the university, the board is often in the best position to insist that difficult but important questions are, in fact, addressed. What are the university's comparative advantages and disadvantages? Are resources actually harnessed to support areas of strength and to achieve strategic goals, or is the university driven more by competing self interests? Is the division of resources between academic programs and support services appropriate? The list of questions could easily be extended. In asking difficult questions, board members might extend their scope also to include the evaluation of academic programs and management systems.

Program Evaluation. Most universities already engage in some regular process of program evaluation, often in the form of unit or departmental reviews. This is complemented in most provinces by the evaluation of new program proposals, with approval for funding contingent upon a favourable outcome. But while program evaluation is not new to Canadian universities, the systematic use of the results in subsequent decisions concerning resource allocation, including the termination of programs, is at best underdeveloped.

Program evaluation is not an exact science, and there is no suggestion here that academic or financial decisions should somehow be driven by the ineluctable force of "objective" evaluation and performance indicators. But management decisions are not likely to contribute to an institutional strategy if there is not first a reasonably clear sense of what is currently done well, and what not so well. And if universities are to make choices—to do some things at the expense of others—then information about the relative strengths and weaknesses of existing programs is a critical prerequisite. Moreover, if universities do not develop evaluative indicators of performance for the purpose of assisting institutional management, then provincial governments may well demand others of their own design, for the purpose of ascertaining the effectiveness of their policy incentives.

Again, the role of the board cannot be definitive. But it can be critical nonetheless. When all is said and done, academic quality can be assessed only with the exercise of academic judgment, and therefore must be in the hands of academics. But the board can insist that such assessments are actually carried out, by procedures that are accepted as both fair and rigorous, and that the results are used to inform subsequent decisions.

Personnel Evaluation. If the quality of a university is marked primarily by the quality of its faculty, then it follows that efforts to maintain and improve that quality lie close to the heart of the well-managed university. This, in turn, implies two further desiderata: that the quality of performance is regularly monitored, and that appropriate action is taken in response to the results, whether superior or inferior.

The contemporary record of universities in this regard is mixed. On the one hand, a number of major universities have preserved both annual performance reviews and salary increments based on merit. On the other hand the trend, augmented by unionization and collective bargaining, has been toward softer evaluations and the detachment of salary increments from explicit judgments of performance. If this trend were to be joined by the abolition of mandatory retirement, as it already has been in some provinces, then both tenure and continuous salary progression become very difficult to justify. It is irresponsible, and in the long term probably publicly unacceptable, to countenance even the possibility of a situation in which faculty members' salaries would continue to increase while their performance deteriorated. This, of course, is the preserve of collective bargaining in many universities, and thereby gives rise to a consequent need to strengthen the role of management in that process.

Collective Bargaining. The rise of faculty unions has profoundly changed the nature of the universities it has touched. Unionization is even more common, if less controversial, in the case of non-academic staff. Unionization and collective bargaining bring with them a new responsibility for boards: to ensure not only that the overall management of labour relations is effective, but also more specifically that positions taken at the bargaining table are conducive to the goals of the university, both in the short and the longer term.

Few universities were well prepared for faculty unionization, with the result that faculty unions, whose leaders were very well prepared, won most of the issues at stake. One need not take a strong position on either side of the unionization question itself to appreciate that the outcome has made the university a more formal, less flexible organization. Even in some universities that have escaped unionization, voluntary collective bargaining has yielded not dissimilar results.

As suggested earlier, it would be futile to try to recapture the past. Indeed, past management practices undoubtedly contributed to the rise of unionization in the first place. But collective bargaining is a process of negotiation between two parties, and the well-managed university will have more to bring to the table than mere reactions to union demands.

The board, as the legal employer in this employee-employer relationship, is at a decided disadvantage in collective bargaining. Distinct from private sector bargaining, the board has no direct interest in the outcome; it plays a trustee role *vis-à-vis* the interests of the university. And, distinct from public sector bargaining, the board is unprotected by legislative limits on either the matters subject to bargaining or the right to strike. No wonder boards usually end up focusing on the monetary cost of a proposed settlement; and no wonder unions are better positioned to trade this off against non-monetary gains.

It is rather late in the day to call for a stronger management role in collective bargaining. The battles are mostly over.

New issues will arise, however, and the lessons of the past ought to impel boards to insist that they be addressed more forcefully. One of these issues centres on mandatory retirement, and the multitude of related issues to which its demise would give rise. Another is the question of control of faculty workloads, particularly teaching which, by virtue of the overall increase in student-faculty ratios resulting from attrition, is emerging as a focus for union demands. Most important of all may be the challenge of change associated with the imminent retirement of up to half the present faculty complement around the turn of the century. Will universities be prepared for this challenge? Will they take a strategic approach in meeting it, or will they be content merely to make do?

The best preparation for collective bargaining is probably different only in degree and application from that which sustains the best management under any circumstances. It involves knowledge of the strengths and weaknesses of the institution, comparative as well as absolute, and determination to move toward known objectives. Collective bargaining, after all, is merely an instrument, available to the employer as well as the employees. But, if that instrument is to be well used, it must be carefully and purposefully developed. Boards should ensure that adequate resources are devoted to research and analysis in preparing positions and strategy, and also in training the university bargaining team. And, of course, a strong management position must extend beyond collective bargaining itself, to include administration of the resultant contract.

External Relations. The era of almost total dependence on government seems to have passed. This does not point to the imminent privatization of universities, trading public sponsorship for private. The public interest is too substantial for that. It probably does mean that institutional success will increasingly depend on building partnerships that involve both public and private-sector participation, particularly but by no means only in the research function.

The management of such complex relations will put new demands on university presidents and, at the same time, afford board members an opportunity to render even greater service to the university. Their key asset, after all, is access to these very sectors. Universities that are able to capitalize on that asset will have a decided advantage.

This means more than merely turning to appropriate board members whenever a request is to be made for increased support, whether from government or the private sector. It means that public and corporate interests must be taken into account at the earliest stages of program and institutional planning. Some will argue that this poses a threat to institutional autonomy and therefore, indirectly at least, to academic freedom. This must indeed be a continuing concern, lest the university be used for purposes inappropriate to its scholarly mission.

The challenge, however, is to manage the relationships, not simply to avoid them. The university can retain its autonomy, but that autonomy will always be relative, never absolute. The watchword is autonomy tempered by responsibility.

Board Membership. Canadian universities have been well served by the voluntary efforts of board members. But given the importance of boards to the effectiveness of university management, it follows that greater attention might be paid to the qualities of those who serve on such boards.

In some instances, this is a responsibility of the board itself. For other boards, appointments are mostly made by government or special interest groups ("stakeholders") such as alumni, faculty, and students, and the board itself may have little formal say as to its composition. Even here, however, boards are often in a position to offer suggestions, especially to government. Provincial governments have both an opportunity and a responsibility in this respect. They could contribute to the strengthening of university management directly, and they could set a pattern and an example by appointing only those with real contributions to make. University boards are no place for party hacks or worn out bagmen.

The existing composition of boards varies so greatly that few generalizations are appropriate. Certainly substantial participation from alumni, the professions, and the business community is essential. Along with government itself, these are the key constituencies on which the university depends for both political and financial support. Moreover, management experience in other contexts can be a great asset to a university board. The addition of student and faculty representatives has provided boards with wider access to opinion within the university community, albeit with the ever-present danger of conflicting interests. Whether other interests and constituencies should be represented on university boards, or their representation increased, is itself a strategic question which cannot be answered in the abstract.

One decision most boards do make is the selection of chairperson. This is a critically important position, one with real potential influence. Next to choosing the university president, selection of the board chairperson may well be the most important responsibility of the board. A wise chairperson can be an enormous support not only to the president but to the whole university. An incompetent or interfering chairperson can make difficult situations worse, if not impossible. The potential contribution of the board will be fully realized only through the leadership of an astute chairperson.

One possibility worth considering would be increasing the representation on university boards from closely related institutions such as hospitals, research laboratories and institutes (both public and private), colleges, and school boards. The purpose would be to gain access to information, opinion, and experience of direct relevance to the university's mission. A second possibility, not unrelated, would be to appoint leading scholars from other universities. The particular advantage of this would be to add academic voices untainted by self-interest, an addition that could be very important where judgments of academic quality must be interpreted. In this, as in many other areas, care would have to be taken to avoid inadvertently creating conflict between such members of the board on the one hand, and the president and faculty members of the university on the other.

There is no need of additional conflict. There is need to strengthen the management of universities. This is important not only for its own sake, but also because of the importance of universities to public policy. In this, as in so much that has to do with universities, government, and public policy in Canada, the management of universities is more than an academic question.

Notes

1. The one exception is the small Trinity Western University, a private denominational college in Langley, B.C., incorporated under private legislation, and operating outside the Universities Act.

2. See Quebec, *Révision des bases et du niveau de financement des universités du Québec: Hypothèse pour fin de consultation*, October, 1988.

3. The following table shows the proportionate distribution of federally sponsored research grants and EPF cash grants, by province, for 1986-87:

Province	Share of Research Grants (a)	Share of EPF Cash Transfers (b)	Difference (a) - (b)
British Columbia	10.9%	14.0%	-3.1%
Alberta	9.0	9.3	-0.3
Saskatchewan	3.1	4.9	-1.8
Manitoba	3.6	5.1	-1.5
Ontario	41.7	36.4	+5.3
Quebec	25.0	19.5	+5.5
New Brunswick	1.5	3.4	-1.9
Prince Edward Island	0.1	0.6	-0.5
Nova Scotia	3.6	4.1	-0.5
Newfoundland	1.8	2.7	-0.9

Sources: Distribution of sponsored research grants, from P. Rans, "University Research and the Reluctant Provinces," unpublished M.P.A. research paper, Dalhousie University, 1989. Distribution of EPF cash transfers from Department of the Secretary of State of Canada, *Federal and Provincial Support to Post-Secondary Education: A Report to Parliament, 1988-89.* Ottawa: Minister of Supply and Services, 1990.

4. See The Commission on the Future Development of the Universities of Ontario, *Ontario Universities; Options and Futures*, 1984, pp. 17-22. See also David M. Cameron, "Centralisation and Decentralisation: Alternative Strategies for Public Policy for Universities and Colleges in Canada," in Ron Watts and Jeff Greenberg, eds., *Post-Secondary Education: Preparation for the World of Work.* Aldershot, U.K.: Dartmouth Publishing Co., 1990, pp. 37-47.

5. See, for example, Stephen Bell, "Using Matching Grants to Facilitate Corporate-University Research Linkages: A Preliminary Examination of Outcomes From One Initiative." *Canadian Journal of Higher Education*, vol. xx, no. 1 (1990), pp. 57-73.

6. For a perceptive analysis of the need to develop more precise performance indicators, see James Cutt, *Universities and Government: A Framework for Accountability.* Ottawa: IRPP, 1990.

7. British Columbia, of course, prevented faculty from unionizing at all, but this can hardly be considered an alternative to private-sector legislation.

8. Perhaps the most perceptive description of professional organizations, including universities, is contained in Henry Mintzberg, *The Structuring of Organizations.* Englewood Cliffs, N.J.: Prentice-Hall, 1979.

9. Laval University, with its electoral process, is unique in this respect. There is little in that process that commends it for general application. For one thing, it minimizes the prospects of an appointment from outside the university, and sometimes that is important to institutional rejuvenation.

10. Michael J. Hatton, *Corporations and Directors: Comparing the Profit and Not-for-Profit Sectors.* Toronto: Thompson Educational Publishing, 1990, p. 85.

11. Ibid., pp. 97-8.

12. See Cynthia Hardy, "Managing the Relationship: Organizational Principles for University Relations with Business and Government." Unpublished paper presented to the Workshop on Canadian Universities: Problems and Opportunities in the 1990s. Institute for Research on Public Policy: Ottawa, November 2-3, 1990.

13. Murray G. Ross, *Canadian Corporate Directors on the Firing Line.* Toronto: McGraw-Hill Ryerson, 1980, p. 48.

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L'Institut de recherches politiques

Une présence nationale

Créé en 1972, l'Institut de recherches politiques est un organisme national et indépendant à but non lucratif, possédant des bureaux d'un bout à l'autre du Canada.

La mission de l'Institut est d'améliorer la politique d'État au Canada en encourageant un processus politique plus général, mieux informé et plus efficace et en contribuant à la mise en application de ce processus. Pour remplir cette mission, l'Institut :

- identifie les questions importantes auxquelles devra faire face le Canada dans un avenir à long terme et entreprend des recherches indépendantes sur ces questions;
- favorise la dissémination générale des résultats-clés des activités de recherches (celles menées par l'Institut et d'autres);
- encourage le débat impartial et la critique de questions de politique d'État, de manière à provoquer la participation de tous les secteurs et de toutes les régions de la société canadienne, et établit la liaison entre la recherche et les mécanismes d'apprentissage social et d'élaboration de politiques.

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L'Institut est dirigé par un Conseil d'administration, conseillé par des représentants des gouvernements fédéral, provinciaux et territoriaux et d'autres organismes nationaux de recherche, ainsi que par des groupes d'experts venant de l'extérieur, qui se réunissent en comités consultatifs pour aider le Comité de recherches. La présidente, en tant qu'administratrice en chef, est responsable de la mise en pratique et de l'administration des politiques et des programmes de l'Institut, ainsi que de la direction du personnel.

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More Than an Academic Question:

Universities, Government and Public Policy in Canada

by David M. Cameron

Canada's higher education system has grown enormously in both size and complexity since the Second World War. For year after year, university enrolment increased by the equivalent of a University of Alberta, while interest in part-time, continuing and distance education expanded even faster.

Expansion was equally dramatic in society's expectations of higher education, which is seen by many as the key to Canada's economic, social and even moral development.

Universities were themselves transformed by their own growth, as faculty members pushed for participatory management and then, in many cases, turned to unionization and collective bargaining.

The public policy questions raised by these and related developments have posed a major challenge to provincial governments and their national Council of Ministers of Education, as well as to the federal government.

Professor Cameron was a major contributor to the first federal-provincial conference on higher education, at Saskatoon, in 1987. His book, stemming in part from his work for that conference, focuses on postwar development of the system but spans the history of Canadian higher education from 1632 to the 1990s.

It is the most comprehensive, and comprehensible, analysis of the growth of Canadian higher education ever published.

***David Cameron** is a political scientist whose expertise in higher education systems makes him a key speaker at national and international meetings.*

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